

# DAILY REPORT

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REPORTAGE ON REACTION TO ANTI-LIBYAN ACTION

## Nakasone To 'Examine' Situation

OW150657 Tokyo KYODO in English 0652 GMT 15 Apr 86

[Text] Anchorage, Alaska, April 14 KYODO -- Japanese Prime Minister Yasuhiro Nakasone said here Monday he will closely examine what is happening in Libya before deciding on a government position on the military confrontation between Libya and the United States.

U.S. warplanes attacked military facilities in Tripoli, the capital, and Benghazi in retaliation against a terrorist bombing at a Berlin discoteque which killed two people and injured many others, many of them U.S. servicemen, last Saturday.

The report of the U.S. action broke only hours after the second meeting between Nakasone and U.S. President Ronald Reagan in the White House. I haven't got any prior notice from the U.S. side (about the bombing), said Nakasone, who made a brief stopover here en route home from a three-day visit to Washington.

## Abe Issues Statement

OW150307 Tokyo KYODO in English 0303 GMT 15 Apr 86

[Text] Tokyo, April 15 KYODO -- In Washington, Foreign Minister Abe said in a statement that he had detected an air of tension in the course of recent talks with U.S. leaders prior to the U.S. attacks against Libya. He said the Japanese Government is following developments with strong interest and expects a situation not to be aggravated. [sentence as received]

Abe issued the statement before leaving for France to attend an annual ministerial meeting of the Organization for Economic Cooperation and Development (OECD) in Paris.

## Monitoring Nationals in Libya

OW150243 Tokyo KYODO in English 0237 GMT 15 Apr 86

[Text] Tokyo, April 15 KYODO -- Japan is closely following developments in the U.S.-Libyan military confrontation, and checking on the safety of 305 Japanese residents in Libya, a Foreign Ministry official said Tuesday.

"We are gathering information and seeing if the Japanese are safe," he said in connection with American attacks on Libyan military bases in Tripoli and Benghazi.

Prime Minister Yasuhiro Nakasone and Foreign Minister Shintaro Abe are being kept informed as they return from their U.S. trip, the official added. Eiji Tanaka, the Japanese ambassador to Libya, reported to the ministry Tuesday morning that he saw "a huge ball of flame" near Tripoli port, and that glass was broken in some of the windows of his official residence.

The ministry said that of the 305 Japanese nationals in Libya, 108 live in Tripoli, 91 in Misurata and 56 in Benghazi. Sixteen Japanese companies maintain branches or representative offices in the African country.

The Foreign Ministry official said that he foresees no immediate effect on oil prices as a result of the American action against Libya, a leading oil producer.

## Presummit Forum Lauds Action

OWI50711 Tokyo KYODO in English 0647 GMT 15 Apr 86

[Text] Oiso, Kanagawa Pref., April 15 KYODO -- Finding effective measures against terrorism will be high on the agenda at the next summit of seven major industrial democracies scheduled May 4-6 in Tokyo, an international forum agreed Tuesday. One political leader of the United States said "this is the only alternative we have" when commenting on the news of the attack by the United States against Tripoli, Libya.

"I hear this is more vigorous than previous exercises," the U.S. politician said.

The news of the American attack dominated final day discussions of the 1986 "quadrangular forum" designed to precede the Tokyo summit. Tuesday morning's session on politics and security, chaired by former French Foreign Minister Jean Francois-Poncet, was attended by some 150 political, business and academic leaders from the U.S., Europe, Canada and Japan. Francois-Poncet said in a summary of the discussion that "it was agreed that in the light of previous history, the U.S. administration had no alternative but to react with force." There is "an urgent need for the summit leaders to take measures to enhance intelligence coordination and to develop mutual understanding of an appropriate Western response" to international terrorism in general, he said. The participants at the Oiso Prince Hotel included U.S. Secretary of Labor Bill Brock, former European Community Commission Vice President Etienne d'Avignon and former Japanese Foreign Minister Saburo Okita.

One European politician said, "The fact is we are all fed up with terrorism," and he said the American action was inevitable.

One Japanese diplomat said there has been no concerted action by summit nations against terrorism and it is important for the Tokyo summit to display a shared willingness and determination against terrorist actions. The Japanese authorities are now very concerned about terrorist actions after attacks at the end of March in which homemade rockets were fired at targets including the imperial palace, he said. The diplomat also said it would interest the Japanese public to know whether Prime Minister Yasuhiro Nakasone had been informed by U.S. President Ronald Reagan of the intended attack on Libya when Nakasone met Reagan in Washington last weekend.

The quadrangular forum, the fourth of its kind following two previous meetings in Washington and one in Brussels, is designed to discuss issues informally among leaders from the U.S., Europe, Canada and Japan before each summit meeting.

FURTHER COVERAGE OF NAKASONE'S WASHINGTON VISIT

## Pledges To Ease Trade Friction

OWI42333 Tokyo KYODO in English 2303 GMT 14 Apr 86

[Text] Washington, April 14 KYODO -- Prime Minister Yasuhiro Nakasone, in a face-to-face confrontation with American lawmakers intent on passing trade protectionist bills, declared Monday Japan accepts "the challenge" of implementing economic reform to fight protectionism and improve relations with the United States.

"Protectionism would only leave all of us worse off," he warned in a speech prepared for delivery at a luncheon meeting with a group of senators and congressmen. "Instead, we need to face up to the question of economic restructuring."

Nakasone, winding up a three-day visit here, said his pro-business government recognizes that Japan's trade surplus -- 46 billion dollars in 1985, including 40 billion dollars with America alone -- is "much too big."

"This has to be redressed," the prime minister emphasized. "The answer lies in how we can effect change."

He also said that he as a 40-year veteran of Japanese politics understands the sentiment of U.S. lawmakers toward the skyrocketing trade imbalance and the need for Japan to change its export-oriented economic structure to correct the imbalance. "I see it imperative for Japan to effect this kind of change, and to accept the challenge now," Nakasone asserted.

Nakasone, in substantive talks with President Ronald Reagan on a wide range of political and economic issues, explained Japan's "medium-term national policy goal" of transforming its economy into one reliant on domestic demand. The goal is contained in a recent report by his private advisory panel and Nakasone assured the U.S. lawmakers his government is following up the report's recommendations by setting a work schedule.

"Japan is thus resolved to emerge as a truly mature member of the community of nations," Prime Minister Nakasone said. "And, together with the United States, to contribute toward a better balanced, noninflationary expansion of the world economy."

The objective is expected to be high on the agenda of the annual summit of seven industrial democracies in Tokyo May 4-6 at which Nakasone will play host.

"President Reagan and I are working closely together to bring a message of bright hope and confidence to the future of the world economy out of the forthcoming Tokyo summit," he added.

The two countries agreed, through a meeting between Foreign Minister Shintaro Abe and Secretary of State George P. Shultz Sunday, to begin a full-scale dialogue on promotion of structural adjustment and policy coordination. "Given the truly global dimension of the Japan-U.S. relationship, there is certainly much room for cooperation of this nature between our two great nations," Nakasone said.

#### 'Text' of Press Remarks

OW141653 Tokyo KYODO in English 1637 GMT 14 Apr 86

[Text] Washington, April 14 KYODO -- The following is the full text of Japanese Prime Minister Yasuhiro Nakasone's press remarks announced at the end of his meeting with President Ronald Reagan Monday.

President Reagan and I met in a relaxed atmosphere over the weekend. The President and I shared the view that we should work together to send from the Tokyo summit a message of a bright prospect for, and confidence in, the future to the peoples of the world, the developed and the developing alike. We reaffirmed the importance of promoting world peace and disarmament and of the U.S.-Soviet summit in this regard, and the necessity of promoting the new round of multilateral trade negotiations for the furtherance of the free trading system.

The President and I had a frank exchange of views on the economic issues between our two countries.

Upon hearing once again the President's strong determination to continue his resolute fight against protectionism, I expressed my firm support to him. I also discussed with him the role to be played by Japan to the same end.

Japan upholds the principle of free trade. I talked with the President about the steps we have taken to improve Japan's market access in the past years, and told him that Japan will continue its efforts to this end. The President and I shared the recognition that the change which has taken place in the yen-dollar exchange rates will contribute to the adjustment of the trade relations between Japan and the United States.

I told the President that Japan is determined to work as its national policy goal toward steadily reducing the current account imbalance to one consistent with international harmony. To this end, I believe that Japan must tackle the epoch-making task of structural adjustment and transform its economic structure into one dependent on domestic demand, rather than exports, leading to a significant increase in imports, particularly of manufactured products. Recently, my private advisory group produced a report containing many valuable recommendations in this regard. In order to translate the recommendations into policies, the government will set up a promotions headquarters which will formulate a work schedule very shortly. Structural adjustment is no easy task in any country. But Japan must effect a historic turn, and I am determined to accept the challenge. The President wholeheartedly welcomed this approach.

At the same time, I hope that other countries will also deal with their own difficult problems through structural adjustment. Better convergence of policies among nations concerned will be a key to revitalization of the world economy. The President and I welcomed the agreement reached yesterday to hold a bilateral dialogue of high officials on structural problems.

I pay my respect to the President for his strong determination to work toward more stable East-West relations and substantial reduction of nuclear weapons, and strongly hope that the momentum for U.S.-Soviet dialogue spurred by the summit meeting between the two leaders last November will move forward steadily. The President and I reaffirmed the importance of maintaining close communication and coordination among the countries of the free world. In this connection, I told the President that I highly valued his efforts toward the total elimination of INF on a global basis with adequate consideration to the Asian region.

In our discussions on regional issues, the President and I reaffirmed the need for Japan and the United States to further cooperate for the development and stability of the Philippines under President Aquino and for us each to contribute to the stability of Central American and other countries, and to the improvement of economic situations and the easing of debt burden of developing countries.

I expressed to the President my appreciation for the fact that the defense relationship between Japan and the United States is now better than ever before and told him that Japan intends to proceed further with its efforts on its own initiative to improve its defense capabilities, together with further strengthening the credibility of the Japan-U.S. security arrangements.

Mr. President, I am very happy to have been able, at your kind invitation, to come to meet you in the spring green of Camp David to reaffirm my unshakable friendship with you.

Today, the cooperative relationship between Japan and the United States is expanding its truly global dimensions and is ever growing in importance. I am convinced that we can overcome whatever obstacles may stand in our way and make great contributions to peace and prosperity of all the peoples of the world, if our two peoples trust each other and make the best possible use of the vigor of each.

#### More on Press Conference

OW141836 Tokyo KYODO in English 1826 GMT 14 Apr 86

[Text] Washington, April 14 KYODO -- Japan's Prime Minister Yasuhiro Nakasone said Monday he had won a commitment from U.S. President Ronald Reagan to make a success of the upcoming summit of seven industrialized nations to be held in Tokyo next month. Nakasone, speaking at a news conference, also described the two rounds of talks he had with Reagan as "very useful and fruitful." He also said he had won Reagan's commitment for "full cooperation" for the success of the Tokyo economic summit, at which Nakasone will play host. He said the "central pillars" of talks at the forthcoming summit talks in Tokyo would include ways to expand world trade and promote industrial adjustment among the world economic powers. He said he agreed with Reagan to wage a determined fight against trade protectionism, noting they had agreed to promote a new round of trade talks under the General Agreement on Tariffs and Trade (GATT).

The Tokyo summit will also include discussions on ways to stabilize prices of primary products, which have declined sharply in recent months, he said. He said the talks on economic topics had gone successfully, ticking off a number of fields in which he said there had been "steady progress," including trade talks and exchange rates.

However, he said, "there still remain economic issues. We are fully aware of the frustrations expressed in the U.S. Congress."

Nakasone cited the efforts Japan has already made in changing its economic structure, including a government decision to set up a "headquarters" for implementing recommendations made last week by a blue-ribbon panel appointed by the prime minister. He pledged to implement the recommendations contained in the so-called "Maekawa report," which calls for a shift in Japan's economy from an export-oriented structure toward one with more emphasis on domestic demand.

"Structural reform must be performed in both countries," he said, noting that the U.S. must also tackle such major economic issues as budget deficits and high interest rates.

Nakasone defended Japan's efforts in opening up its market and the effect of the yen's appreciation in holding down Japan's exports, blaming the continuing rise in Japan's trade surplus on what is known as the "J-curve effect" -- a temporary increase in the value of exports quoted in dollars due to the yen's higher value.

Japan's exports for March declined by 2 percent in volume and 16 percent in yen terms but continued to rise -- by 21 percent -- in dollar terms because of the J-curve effect, an economic concept which explains the process of a long-term decline in export figures as exporters raise prices to offset exchange losses.

"If we maintain this trend and further expand domestic demand in Japan, trade relations will begin to change conspicuously, and I expect this trend will become tangible by the fall," he said.

On the political front, Nakasone said he offered to extend cooperation for the realization of a second summit meeting between Reagan and Soviet party chief Mikhail Gorbachev. "President Reagan was very keen on this second summit meeting," he said.

On regional questions, Nakasone said he and Reagan agreed to continue to cooperate to assist the Aquino government in the Philippines and to offer cooperation to promote a dialogue between the South and the North in the Korean Peninsula.

On Japan's possible participation in the research phase of the U.S. Strategic Defense Initiative, Nakasone said the government is awaiting a report by Japanese fact-finding mission that had carried out a study on the SDI project in the U.S. "We are in the stage of studying this question," he said.

On an Israeli proposal for a 25 billion dollar Middle East "Marshall plan," Nakasone said Foreign Minister Shintaro Abe and Secretary of State George Shultz had discussed the plan during their talks in Washington Sunday and that Japan will consider the plan closely, while admitting that Japan has yet to know all the details. Turning to domestic politics, Nakasone said, "I'm not thinking of dissolving the Diet at all."

In an opening statement he thanked Reagan for his warm hospitality and "the exceptional treatment" represented by holding the first session of their talks at Camp David, the presidential retreat in nearby Maryland.

"The Japanese people as a whole are very gratified" by this hospitality, he said.

Departs 14 April

OW142317 Tokyo KYODO in English 2313 GMT 14 Apr 86

[Text] Washington, April 14 KYODO -- Japanese Prime Minister Yasuhiro Nakasone left here for home Monday afternoon, winding up a three-day visit to the United States. He was scheduled to arrive in Tokyo Tuesday evening via Anchorage.

During the visit, Nakasone met with President Ronald Reagan twice to discuss trade and other questions.

WU XUEQIAN ADDRESSES PRESS CONFERENCE 14 APRIL

OW141137 Tokyo KYODO in English 1129 GMT 14 Apr 86

[Text] Tokyo, April 14 KYODO -- China is ready to join the international space market, selling communications satellites of types it has successfully launched, Chinese Foreign Minister Wu Xueqian said Monday. China is willing to enter into business talks with prospective buyers for the Chinese-made satellites, he said.

Speaking at a news conference at the National Press Club, he made the offer in answering a question on reports that China will help launch foreign satellites for a fee. While allowing that he is a "complete layman" on space development, he said China is now in a position to sell communications satellites which it has developed to improve telecommunications systems in China.

In an opening statement, Wu expressed complete satisfaction about the talks he has had with Japanese Government leaders since he arrived in Tokyo last Friday. Wu came to Japan for the second regular bilateral foreign ministers' conference. He met his Japanese counterpart, Foreign Minister Shintaro Abe, and Prime Minister Yasuhiro Nakasone last Saturday.

Wu termed the talks with Abe, which included bilateral and international topics, "substantial and fruitful." However, Wu also gave the impression that the two sides avoided controversial topics, like negotiations for a treaty to protect Japanese investments in China and proposals for a visit to China by members of the Japanese royal family. Wu said neither of these subjects were brought up in his talks with Abe because of "pressing time."

While expressing hope for the "early conclusion" of an investment pact, he blamed Japan for stalled negotiations on the pact, citing unspecific Japanese-proposed "conditions" which he said "are impossible to implement."

During a question and answer session, Wu commented on a wide range of Chinese current policies, from its relations with the Soviet Union to its stand on Taiwan. He dismissed a Soviet proposal for a peace and security treaty in Asia as "empty talks."

There is no sense in talking about an Asia security pact if Moscow does not pull out its troops from Afghanistan and does not withhold its support for Vietnamese occupation of Kampuchea, he said.

On China's Taiwan policy, Wu said China is ready to go beyond the "Hong Kong formula" in seeking peaceful reunification. If Taiwan accepts China's reunification proposal, he said, China will not send its own officials to Taiwan, allowing the Kuomintang to keep the military and the bureaucracy intact.

Wu also touched on visits of foreign warships to China, indicating that China will not allow U.S. warships to make port calls unless Beijing is assured that they are not nuclear-armed.

#### LATE REPORT: ROCKET-LADEN TRUCK EXPLODES NEAR U.S. BASE

HK151316 Hong Kong AFP in English 1312 GMT 15 Apr 86

[Text] Tokyo, April 15 (AFP) -- A light truck carrying what appeared to be crude home-made rocket launchers went up in flames near a U.S. Air Force base here Tuesday, but casualties or damage were immediately reported [as received], the police said.

The police said the rockets may have been intended for use in what would have been the fourth rocket attack in three weeks by Japanese leftist radicals.

Leftist radicals have vowed to "blow away" the April 29 ceremonies marking Emperor Hirohito's 60-year reign and the summit meeting of leaders of the "big seven" non-communist industrialized countries to be held here from May 4 to 6.

NODONG SINMUN ON ENVIRONMENTAL PROTECTION LAW

SK121154 Pyongyang Domestic Service in Korean 2136 GMT 10 Apr 86

[NODONG SINMUN 11 April editorial: "Let Us Thoroughly Materialize the Environmental Protection Law"]

[Text] The DPRK Environmental Protection Law, which was provided by the great leader Comrade Kim Il-song, was adopted at the Fifth Session of the Seventh SPA. As a result, our people came to possess the legal guarantee to consolidate in the form of law achievements that had been attained in the field of environmental protection under the party's leadership, to better reshape the country's environmental appearances in accordance with the demand of the developing times, and to further promote the welfare of the working people. The adoption of the environmental protection law at the recent SPA session is the first of its kind in the long history of our nation, and is a proud matter that brightens the era of our Workers' Party.

With the adoption of the new environmental protection law, the natural and living environments can be remodeled in accordance with the demand of chuche, thus further heightening the superiority of the socialist system, and our people can better lead independent and creative lives. Only when man, as master of the environment, can control and change it, can he successfully cultivate his life and destiny. Therefore, the struggle to protect and change the environment is the noble and worthwhile work to enable people -- the most valuable and powerful beings in the world -- to freely lead independent and creative lives.

The great leader Comrade Kim Il-song has taught: The socialist system is the most superior social system that not only guarantees happy lives for the people today but also opens up a rather bright prospect for tomorrow. The recent adoption of the environmental protection law is another expression of the great love and care that the great leader Comrade Kim Il-song has provided for our people. The environmental protection law is the historical summing up of the long and time-honored struggle of the great leader Comrade Kim Il-song, who has devoted all energy and pains to guaranteeing an independent and creative living environment for the people, and is the synthesis of much experience attained in this process.

Viewing the question of protecting the environment as one of the important questions that is closely linked to the struggle of achieving the social liberation of the popular masses, who have been suppressed and have suffered ill-treatment, the great leader Comrade Kim Il-song has long made the people value even a handful of soil and a tree and has wisely guided the work of protecting the environment so that this work, as the movement of all masses, can be vigorously carried out at every stage of the development of the revolution. Viewing splendidly the fixing up of the people's living environment, in accordance with the great leader Comrade Kim Il-song's planning and intent, as an important part of the struggle to imbue all society with the chuche idea, our party has put forth a revolutionary policy on changing the country's environment in accordance with the demand of chuche, and has wisely guided the work of realizing this.

Today, our people freely enjoy independent and creative lives under the most superior socialist system. In particular, even without knowing the word pollution, our people lead happy lives in a highly cultural and hygienic environment. Unlike the South Korean social system, under which all mountains, fields, rivers, and the sea have become seriously polluted and under which fauna and flora, including trees and fish, are being depleted because of toxic smoke and waste water which pollution-prone enterprises are emitting carelessly, the brilliant appearance of our fatherland, in which the entire country is located in a literally beautiful and large park, clearly shows how just the policy of our party and the Government of the Republic on environmental protection is and how noble and proud all achievements attained by our people are.

The appearance of the natural and living environments, which surround the people, must be constantly changed in accordance with the heightening of the people's demand and aspirations for realizing independence. This is related to the fact that with the unprecedented expansion of the economic scale, with the rapid improvement of the internal structure of this scale to the modern type, and with the systematic upgrading of the material and cultural living standard of the people, the people's demand concerning the natural and living environments is being enhanced to a similar degree.

The environmental protection law, adopted this time, is a chuche-oriented environmental protection law that our party put forward by reflecting this reality, and an original law that indicates the correct way to solve the environmental protection problem. The environmental protection law, adopted this time, broadly stipulates the purposes, contents, principles, and methods of environmental protection work under socialism. The environmental protection law clearly elucidates the state's general tasks and goals in connection with environmental protection by stipulating the fundamental purposes of environmental protection work centered around the popular masses.

Also, the law comprehensively regulates the basic principles of environmental protection, including the prevention of pollution, thus providing a firm legal guarantee with which the state can successfully conduct environmental protection work without deviation. In particular, the environmental protection law clearly elucidates the firm stand of our party and the Government of the Republic to oppose the nuclear and chemical warfare maneuvers of the imperialists with the U.S. imperialists as their boss and to defend the independence of the country in the field of environmental protection by proclaiming the struggle to oppose the phenomenon of destroying and polluting the environment of the country as a result of the development, testing, and use of nuclear and chemical weapons on and around the Korean peninsula.

Along with this, the law comprehensively stipulates the tasks in and methods for preventing pollution of the environment, including the air, water, land, and living things, thereby making it possible to provide a cultural and sanitary living environment and working conditions for the people, to remove the causes of diseases, and to further protect the people's lives and improve their health.

As shown above, the environmental protection law is an original law that opens a new chapter, in view of its nature and contents and the scope and depth of its regulations, and becomes another example of a law pertaining to a specific field. Herein lies the matchless superiority of our environmental protection law as the most advanced and revolutionary law.

The adoption of the environmental protection law this time is of great significance in further consolidating the socialist system and powerfully accelerating our revolution and construction. The enactment of the environmental protection law will, above all, dynamically encourage our party members and workers to unreservedly display their creative wisdom and resourcefulness in the struggle to imbue the whole society with the chuche idea with the high pride in and confidence of living in a pollution-free people's paradise.

The adoption of the environmental protection law will also have a great revolutionary influence on the South Korean people, groaning under pollution, and greatly encourage the struggle of the world's revolutionary people for the construction of a new system and society. Indeed, the environmental protection law, adopted this time, is the brilliant embodiment of genuine people-minded politics that uphold and treasure the popular masses and make everything serve their happiness, and an encyclopedic guideline that gives comprehensive answers to all problems arising in the reforming of nature and living conditions, including the protection, construction, and management of the environment.

Thoroughly defending and implementing this new environmental protection law are an honorable and rewarding work of making our chuche-oriented idea on environmental protection shine and a sacred duty of our functionaries and workers. Cherishing the pride in and confidence of having the chuche-type and revolutionary environmental protection law, we should thoroughly implement the principles and demands of the environmental protection law, thus giving unreserved play to the superiority and great vitality of our country's environmental protection law. Only then can our party's policy of environmental protection be brilliantly realized and the living environment of our people be further improved.

Correctly solving the problem regarding pollution is one of the most important questions in protecting and managing living conditions well. The extent to which the environmental protection work of a country and its living conditions are advanced is appraised mainly in accordance with the pollution problem.

Under the wise leadership of the party and the leader, our country has paid primary attention to the question of preventing the occurrence of pollution since the initial stage of the construction of a new society and has taken measures in a prospective manner, thus realizing industrialization without pollution and building the modern economy of today.

Under the condition in which we will develop coal mines and other mines and continue industrial construction in the field of the metallurgical and chemical industries and other fields, taking thorough measures to prevent pollution is a matter that cannot at all be handled in a negligent manner. All sectors and units of the national economy should set forth as the primary principle of environmental protection work, the prevention of environmental contamination and the thorough prevention of pollution beforehand, and ensure that the environment is not damaged or destroyed, and the life of residents should not be adversely affected when even a single house is built or a construction project is carried out.

The plants and enterprises, newly constructed chemical plants in particular, should continue to pay close attention to the question of building devices designed to absorb gas and dust -- devices to prevent air pollution -- purification facilities designed to prevent water pollution, filter facilities designed to remove noxious odors, and facilities to purify sewage and waste water. To this end, the fields and units concerned should strengthen national land construction programming work and designing work and increase their role in supervising and controlling, thus building cities, villages, plants, and enterprises in accordance with the general plan for the construction of the national land.

Preserving the natural environment and administering it in a way that is favorable to the life of men are one of our party's important policies geared toward the protection of the environment. Only when the natural environment is preserved and administered well can the health of workers be improved; their working, cultural, and recreational life be more smoothly guaranteed; and a beautiful and rich paradise be handed down to our posterity.

In accordance with the demands of the party, all fields and units should continue to vigorously conduct forestation work in a campaign embracing all the masses, thus building economic, scenic, and protected forests along the streets and railways, around the lakes, along the rivers, and along the shores. Along with this, they should manage scenic spots, natural monuments, and historic spots without damage in order to provide a better cultural and emotional environment for the people.

At present, the rural areas should more thoroughly take measures to protect the arable lands from natural calamities, carry out well the work of storing and administering agricultural chemicals, and meet the demands of the chuche farming method in utilizing them.

Environmental protection work is a grand and difficult work of comprehensively administering all environments in which men live and work. Therefore, only when the voluntary passion and creativity of a broad range of the masses are displayed can environmental protection work be carried out smoothly.

The party organizations at each level should have all party members and workers correctly recognize that the new environmental protection law is a state law enacted to improve their living environment and working conditions and should plan and coordinate organizational and political work so that the party members and workers can thoroughly implement the law by giving full play to their creativity and activeness.

Increasing the role and sense of responsibility of the functionaries of the government organs is an important demand arising in thoroughly executing the new environmental protection law. All functionaries of the government organs in the province, cities, counties, and districts, with the stand of taking responsibility for environmental protection work and all properties of the country, should go deep among the party members and workers; widely explain to them the revolutionary nature, superiority, contents, and demands of the environmental protection law provided by our party; frequently check where there are problems arising in connection with the protection of the environment; and timely resolve the pending problems.

A heavy duty is assigned to scientists and engineers in implementing the environmental protection law. The scientists and engineers in all fields of the national economy should deeply recognize the heavy sense of responsibility and smoothly solve the scientific and technological problems arising in implementing the environmental protection law, such as the problem of developing industry without producing pollution-causing by-products, the problem of collecting and recycling all waste and poisonous gases, and the problem of cultivating and utilizing forestry resources.

Let us all build the natural and living environments of our country more beautifully, make them better to live in, and actively contribute to the endless prosperity of the fatherland and the future development of the nation by thoroughly defending and implementing the environmental protection law provided by our party.

#### NATIONAL PEACE COMMITTEE MEETING IN PYONGYANG

Meets 11-12 April

SK130900 Pyongyang KCNA in English 0835 GMT 13 Apr 86

[Text] Pyongyang April 13 (KCNA) -- A meeting of the Korean National Peace Committee was held in Pyongyang over April 11-12. The meeting discussed tasks to achieve peace in Korea and her peaceful reunification and defend peace and security in the world.

At the meeting a report was delivered by Chon Tu-hwan, chairman of the Korean National Peace Committee. Many delegates took the floor at the meeting. They pointed out that the international situation has been extremely strained and the danger of a new world war, a thermonuclear war, is steadily increasing. In order to avert a new world war, a thermonuclear war, and defend world peace, it is imperative for all peaceloving people of the world to firmly unite and dynamically wage the anti-war, anti-nuclear, peace movement, they said.

At present the Korean peninsula is a place fraught with the greatest danger of nuclear war, they said, and stressed: the most reasonable way to ease tension and remove the danger of nuclear war in Korea, and realize peace in Korea and her peaceful reunification is to realize the proposal for founding the democratic confederal republic of Koryo and the proposal for holding tripartite talks.

To remove the danger of nuclear war and realize a durable peace on the Korean peninsula and accelerate the independent and peaceful reunification of the country, they stressed. the United States and South Korean authorities must give up the "two Koreas" plots and war provocation manoeuvres and promptly take a step to clear South Korea of the U.S. forces and nuclear weapons and accept our proposal to convert the Korean peninsula into a nuclear-free. peace zone. They stressed that the Korean people would resolutely fight to check the imperialists' reckless moves to ignite a nuclear war and defend peace and security in the world.

#### Issues Letter

SK130948 Pyongyang KCNA in English 0906 GMT 13 Apr 86

[Text] Pyongyang April 13 (KCNA) -- The Asian people should have aggressive military blocs in this region dissolved, frustrate the schemes to form new military blocs and clear Asia of foreign military bases, aggression forces and nuclear weapons. The Korean National Peace Committee stressed this in its letter sent to national peace organisation of various countries on the occasion of the week of Asia.

Pointing out that due to the Reagan administration's reckless nuclear arms build-up and aggressive manoeuvres based on its "policy of attaching importance to Asia and the Pacific", the danger of new war is daily increasing and peace and security are seriously endangered in the Asian region, the letter said that to remove the danger of war and guarantee peace and security in this region was a common task facing the peoples in this region. It further said:

We express support and solidarity for the recent initiatives of the Soviet Union that countries in the Asian-Pacific region make joint efforts in unity for detente in this region, and for the struggle of people to convert the Indian and Southern Pacific Oceans into a nuclear-free, peace zone free from foreign military bases.

It is a pressing problem for defending peace in Asia and the world to ease the tension and preserve peace in and around the Korean peninsula.

Emphasizing that the United States must give up at once the "two Koreas" plot, new war provocation manoeuvres and the scheme to knock into shape the U.S.-Japan-South Korea tripartite military alliance which is stepped up at the final stage, and withdraw its troops and nuclear weapons from South Korea, the letter said in conclusion: in firm unity with all the peaceloving forces in Asia and the world, we will energetically struggle in the future, too, to check and frustrate the imperialists' aggressive and belligerent manoeuvres and build a new Asia, independent and peaceful free from nuclear weapons.

KNP LEADER MEETS JAPAN'S DEFENSE AGENCY HEAD

SK141156 Seoul YONHAP in English 1100 GMT 14 Apr 86

[Text] Tokyo, April 14 (YONHAP) -- Koichi Kato, director general of Japan's Defense Agency, said Monday that peace and stability on the Korean peninsula are "directly linked" to the peace and stability of Japan. In a meeting with Yi Man-sop, leader of the minor opposition Korea National Party (KPN), Kato said that the Pyongyang-engineered 1983 bombing attack on a South Korean presidential entourage in Rangoon, Burma, could not be understood from a common sense point of view.

Kato said he is well aware of North Korean threats to the national security of South Korea. Submarines, which cannot be detected by radar, constitute the most important factor in national defense today, Kato said.

In response, Yi said that South Korea, which serves as a bulwark of peace and stability in the Far East, spends a great deal of money on defense every year. Yi said that Tokyo should increase its economic cooperation with Seoul and should support Seoul's economic superiority over Pyongyang in order to prevent Pyongyang from making a miscalculation that could lead to the recurrence of war on the Korean peninsula.

In a visit later in the day with Susumu Nikaido, vice president of Japan's ruling Liberal-Democratic Party, Yi expressed his opposition to the scheduled visit to Tokyo by Ho Tam, a North Korean Politburo member. Yi said that in view of the fact that South Korean officials and political leaders are unable to visit mainland China and the Soviet Union, Japan's invitation of Ho violates the principle of equilibrium. He urged Japan to keep its contacts with North Korea in balance with Seoul's contacts with either China or the Soviet Union.

JAPAN AGREES TO SUPPORT PREPARATIONS FOR OLYMPICS

SK110931 Seoul YONHAP in English 0915 GMT 11 Apr 86

[Text] Tokyo, April 11 (YONHAP) -- South Korea and Japan have agreed to establish special committees to support preparations on the private level for the 1988 summer Olympics, scheduled for Seoul, according to a joint communique issued at the conclusion of the 18th joint conference of the Korea-Japan and Japan-Korea economic committees. Under the agreement, Japan will send a survey team to Korea this fall to pave the way for increased investments by Japanese firms in Korea and technological cooperation between the two countries under Korea's sixth five-year economic development plan, scheduled to begin next year.

To promote the international division of labor between Korea and Japan, and to help Korea develop technologies for the manufacture of machine parts and components, Seoul and Tokyo agreed to boost the exchange of technical manpower.

Tokyo pledged to fully support the activities of Korean trade missions that will be sent to Japan on five occasions this year in an effort to promote Japan's importation of products from Korea, according to the joint communique, which was issued in the names of Pak Tae-chun and Toshisuke Sugiura, co-chairmen of the Korea-Japan and Japan-Korea Economic Association.

Japan also promised to wholeheartedly support the activities of the Korean trade mission that is scheduled to go to Japan later this month to induce Japanese investments in the Korean economy.

The mission is scheduled to visit major Japanese cities, including Tokyo, Hamamatsu and Hiroshima, April 14-23 to explain to Japanese business leaders the Korean Government's policies on foreign investments, the inducement of foreign capital and the importation of technologies.

In the joint communique, Japan expressed its intention to expand cooperation in the training of Korean technicians in Japan and to step up the exchange of youngsters between the two countries.

Pak Tae-chun, who led the 64-member Korean delegation to the Tokyo conference, told reporters after the meeting that the enhancement of the international division of labor between Korea and Japan is imperative to Korea's efforts to redress its perennial deficit in its trade with Japan.

Toshisuke Sugiura agreed with Pak, saying that the strengthening of capital and technological cooperation, and the enhancement of personnel exchanges and balanced trade between Seoul and Tokyo will not only benefit the economic development of the two countries but will also expedite the advent of a "Pacific-Asia era."

#### THE KOREA HERALD ON OLYMPIC MEETING IN SEOUL

SK130024 Seoul THE KOREA HERALD in English 13 Apr 85 p 4

[Editorial: "ANOC Meet in Seoul"]

[Text] The Association of National Olympic Committees (ANOC) will be holding its fifth general assembly in Seoul April 21-26. Out of the 161 ANOC member countries, at least 150 are expected to send delegates to the Seoul meeting, making it the largest ANOC gathering ever.

Because of its immense influence on athletic activities worldwide, the ANOC is often called the "U.N. General Assembly of sports," or the lower house of the sports world, the IOC being the upper house. Undeniably, the upcoming ANOC meeting is an event of great significance.

It is of even greater significance for Seoul, which has been sparing no efforts to ensure the success of the Asian Games, only five months away, and the 1988 Olympiad. As Pak Se-chik, acting president of the Seoul Olympic Organizing Committee, says the ANOC meeting will surely provide world sports leaders with "a good chance" to witness how earnestly and efficiently the Korean people are preparing for the two upcoming sports events.

Helping to make the two Games a success will be their way of promoting the spirit of "harmony and progress" in a world confronted with ever greater challenges. The world community cannot afford to allow the Olympiad to be hamstrung again as it has been before the past decade.

The ANOC and the IOC have proven themselves fully capable of working harmoniously together in the cause of developing world sports. True to the complementary roles of the two organizations, the Seoul ANOC meeting will coincide with such international sports meetings as the IOC Executive Board meeting and IOC commission conferences.

Accordingly, much is expected from the upcoming Seoul meeting of the ANOC. We are looking to it for providing significant momentum for promoting the cause of harmony and progress through the international sports game scheduled here.

AWARDS DOUBLED FOR 'MISLED PEOPLE' WHO RETURN

BK110535 Phnom Penh Domestic Service in Cambodian 0430 GMT 11 Apr 86

[Council of Ministers' Decision No 58, dated 7 April 1986, on increased awards for misled people bringing weapons at new year]

[Text] In light of the PRK's Constitution; acknowledging the organizational structure and activities of the Council of Ministers promulgated by Decree No 3 dated 10 February 1982; on the basis of the memorandum of organizations of the Ministries of National Defense, Interior, and Finance, dated 30 March 1985; and at the request of the Ministry of National Defense, the Council of Ministers decides:

Article 1. From 10 April 1986 to 15 May 1986, misled people who return to the revolution and bring weapons with them will be awarded double the sum of money specified in the 30 March 1985 memorandum of the Ministries for National Defense, Interior, and Finance, concerning awards for misled people who return to the revolution and for individuals, units, and localities that are outstanding in proselytizing work.

Article 2. Beginning 16 May 1986, the extra conditions mentioned in Article 1 above will no longer apply and the system will revert to implementing the 30 March 1985 memorandum of the Ministries for National Defense, Interior, and Finance.

Article 3. The cabinet of the Council of Ministers, the Ministries of National Defense, Interior, and Finance; the Central Proselytizing Commission; and people's revolutionary committees in every province and municipality should implement this decision.

For the Council of Ministers,

[Signed] Chairman, Hun Sen

MESSAGES, INSTRUCTIONS FOR NEW YEAR ISSUED

From Heng Samrin

BK131251 Phnom Penh Domestic Service in Cambodian 1100 GMT 13 Apr 86

[New year message from Heng Samrin -- recorded]

[Text] Beloved compatriots and combatants: On the occasion of the new year, the year of the tiger, on behalf of the KPRP Central Committee, the Council of State, and the National Council of the KUFNCD, I would like to convey to all compatriots, cadres, combatants, invalids, families of disabled and dead combatants, combatants' families, children, and expatriot Cambodians, sincere sentiments and best wishes.

On behalf of the Cambodian party, state, and people, I would like to send best wishes and gratitude to the Vietnamese Volunteer Army, Vietnamese and Soviet experts, experts from other fraternal countries, and friends who are carrying out noble internationalist tasks on our fatherland's soil. In the past year our people have scored brilliant victories in every field. It was the year that started the resounding victories of the 1984-85 dry season. It was also the year in which the KPRP's Fifth Congress achieved brilliant successes. These victories belong to our cadres, and workers who are carrying out their duties along our fatherland's border.

They are victories of the militia and security forces, which have been fighting and are ready to defend every commune and village in our territory. These victories belong to our workers, peasants, intellectuals, monks, and ethnic minorities throughout the country who have united and struggled valiantly to overcome obstacles and difficulties and have scored great achievements. These victories are also the result of the precious and noble proletarian internationalist spirit of the Vietnamese party, cadres, volunteer combatants, and experts who have been fighting shoulder to shoulder with our people.

Our enemies are being seriously weakened and are disintegrating. However, they still stubbornly continue maneuvers to hinder and bring down our PRK regime, to eliminate our revolutionary gains, and to destroy the right to be masters of the country of our people and workers. The enemies have not abandoned their criminal and barbarous activities and perfidious maneuvers aimed at shaking our will. The enemies are under the illusion that they can weaken our powerful force until they can topple us.

The year of the tiger is the year of our powerful force. This force is that of national unity and international solidarity. This powerful force is first of all in localities, villages, communes, wards, enterprises, factories, Army units, and militia and security forces. In the new year, our compatriots and combatants should further heighten their spirit of self-sufficiency and internationalist solidarity. They should continue more vigorously to fight the enemies and pledge not to let them emerge again.

I appeal to those who are still among the enemies' ranks to return quickly to eliminate the suffering caused by separation from their families. Our compatriots and peasants in solidarity production groups should strive further to overcome difficulties and successfully achieve this rainy season task. They should practice thrift and make efforts to sell paddy to the state. Workers and laborers in cities should produce more goods and actively take part in raising the living standards of our compatriots and combatants. All levels of cadres in every service and department should direct their activities toward localities to serve our compatriots and combatants. We certainly will score new and greater victories in the cause of defending and building the fatherland and realistically contribute to the common struggle of people world wide for peace and life in 1986, the international year of peace.

We would like to convey to people in fraternal countries, friends, and men of goodwill everywhere best wishes, peace, and friendship. All compatriots and combatants of the entire Armed Forces, be courageous. Everything is for successfully implementing the resolutions of the party Central Committee's second plenum. New year, new force, and new victory. We will certainly win.

Bou Thang

BK140320 Phnom Penh Domestic Service in Cambodian 1200 GMT 13 Apr 86

[New year message from Defense Minister Bou Thang to KPRAF cadres and combatants and families of fallen combatants -- read by announcer]

[Text] On the joyous occasion of our Cambodian people's traditional new year, the year of the tiger, on behalf of the Defense Ministry and in my own name, I would like to extend best wishes to all comrades cadres, combatants, and comrades-in-arms who are fulfilling their mission, resting, receiving medical treatment, or studying and attending training in our fatherland as well as to all families of fallen, wounded, and disabled combatants. May all of you enjoy happiness, good health, quick recovery, and success in all tasks assigned by the party and people.

This year of the tiger is the 8th year that our people could organize their traditional new year celebration following 7 January 1979 when they were liberated from the genocidal Pol Pot-Ieng Sary-Khieu Samphan regime by the Vietnamese Army volunteers and our KPRAF. The past year, the year of the ox, was a year in which our revolution scored great victories in political, military, economic, social, cultural, and diplomatic fields, particularly the victories scored by our party's fifth national representative congress and our Army and people in close cooperation with the Vietnamese Army volunteers who are gaining full mastery along the Cambodian-Thai border and in the interior of the country, thus weakening the enemies and plunging them toward a total doom. Moreover, the entire party, people, and Army are striving to implement the three strategic goals of our party Central Committee in order to advance toward final victory for our revolution and to achieve mastery over our fatherland in accordance with the resolutions of the party's fifth national representative congress and the second plenum of the party Central Committee.

On this occasion, on behalf of the Defense Ministry and in my own name, I would like to warmly commend all units, cadres, combatants, and personnel of the Armed Forces who have performed outstanding feats in combat, study, and work according to your respective specialized fields.

The year of the tiger is a significant one, a year of taking responsibility for our own national destiny within the special alliance and all-round cooperation of the three Indochinese countries -- Cambodia, Vietnam, and Laos -- and with the support and assistance from the fraternal socialist countries, with the Soviet Union as the mainstay. Therefore, all of us must resolutely strive to work hard while learning and drawing experience from past lessons in order to make new achievements for welcoming the 35th founding anniversary of the KPRP which will come very soon. To successfully carry out these tasks, I would like to exhort all comrades to the following:

1. Be absolutely loyal to the party, fatherland, and people and dare to make any sacrifice for the cause of national defense and construction.
2. Always enhance vigilance and a sense of mastery in combat readiness, fight to win, work hard, strive to fulfill all tasks, and give assistance to the lower echelons.
3. Strive to build the units by tempering and training oneself in military, political, technical, and cultural fields in order to enhance one's capabilities to command, fight, and build the units.
4. Consolidate the Army's good ethics: strictly abide by organizational and Army discipline; and respect and correctly implement all policies, lines, laws, and regulations of the state.
5. Enhance internal unity while consolidating solidarity and cooperation with the Vietnamese Army volunteers, exploit the assistance of the comrades Vietnamese experts in order to enhance one's work capabilities, and particularly regard solidarity of the three nations as the life-and-death factor for the three revolutions -- in Cambodia, Vietnam, and Laos.

Once again, on behalf of the Defense Ministry and in my own name, I wish all comrades and the families of the fallen, wounded, and disabled combatants good health and greater victories in carrying out all tasks assigned by the party and people.

## Council of Ministers

BK101325 Phnom Penh SPK in English 1101 GMT 10 Apr 86

[Text] Phnom Penh SPK April 10 -- On the occasion of the traditional Khmer new year "Chol Chhnam Thmei," the year of the Tiger, to begin Sunday, The Council of Ministers of the People's Republic of Kampuchea has instructed all offices and ministries and the entire population to do everything to make this a time of general rejoicing in the whole country. The instructions call for vigilance to ensure security and foil all perfidious acts of sabotage of the enemy.

Delegations will call on units of the People's Revolutionary Armed Forces of Kampuchea and the Vietnam Volunteer Army, on war invalids and families of fallen combatants.

The Ministry of Information and Culture will see to the entertainment of the public, with film projects, art performances, sports competitions, etc. Government offices will pay floral tributes at the monument for the dead and the monument to Vietnamese internationalist combatants in Phnom Penh and at local monuments.

## General Staff

BK111500 Phnom Penh Domestic Service in Cambodian 1300 GMT 11 Apr 86

[11 April "order on combat readiness to defend the traditional new year"]

[Text] During the traditional new year, which falls on 13 April 1986, the enemies may carry out all sorts of activities to destroy our revolutionary achievements and obstruct our people's joyful activities. Based on Council of Minister's Decision No 58, dated 7 April, on increased rewards for misled people who turn themselves in during the traditional new year and bring weapons with them, the General Staff issues the following order:

1. Ensure people's safety, defend their property, and provide security during the traditional new year.
2. Strictly maintain combat readiness, seek all ways to attack the enemies, and appropriately punish all reactionary forces that cause chaos during the traditional new year and celebrations of our people.
3. Very strictly implement the 6-point policy of the PRK party and state toward the misled people in the armed forces of the reactionary Cambodian groups who have deserted the enemy ranks and returned to our revolutionary power. All units must cooperate with the local authorities in creating facilities for these returnees to be reunited with their families quickly so as to enjoy themselves during the traditional new year. Any officers and soldiers who turn themselves in to our authorities during this traditional new year and bring weapons, war materiel, or important documents with them will be given a greater reward than that defined in the 6-point policy of the party and state.
4. Resolutely and rapidly expose, denounce, and punish any element that is not genuine returnee or commits crimes against the people.

Upon receiving this order, all units must map out detailed plans for implementation from the date of signing the receipt for the order.

Phnom Penh, 11 April 1986

[Signed] Koy Buntha, chief of the General Staff

REACTION TO U.S. ANNOUNCEMENT ON RICE PRICES

## Foreign Minister Interviewed

BK131026 Bangkok NAEON A in Thai 13 Apr 86 p 2

[Interview with Air Chief Marshal Sitthi Sawetsila, deputy prime minister and foreign minister, by NAEON A reporters Wanchai Wongmichai and Suwit Ui on 12 April; place not given]

[Text] [Unidentified Reporter] What do you think about the rice price the United States has just announced under the Farm Act?

[Sitthi] I received a telegram from Washington this morning. I told Danai (Dulalapha) and Sawanit (Khongsiri) to have to look. When I learned about the price, I felt strongly about it. I then tried to contact the ministry officials and Danai himself was already at the ministry.

[Reporter] The telegram was sent from the Thai Embassy, wasn't it?

[Sitthi] It was sent by Khun Kasem (Kasemsamoson Kasemsi, Thai ambassador to Washington). He was still not clear about the U.S. attitude. Kasem said that the price will be announced every week. Anyway, from my first assessment, I feel that although our estimate based on the price announced is at \$225 and not \$220, the figure is still below what we told them. The earnings from their rice exports will even be below the subsidy costs. This is why I think this kind of trade is not correct.

Of course, when their farmers are in trouble, they must help them through subsidies or price support measures. However, when compared with the number of our farmers who are extremely poor, far fewer American farmers face such a plight. The Farm Act has caused our rice price to drop. We expected to sell rice to Malaysia and Iran at \$220 and \$270 respectively and we hoped this would help to improve local paddy prices in Thailand. Unfortunately, with the enactment of the Farm Act, our customers adopted the wait-and-see policy and this has resulted in a price drop. Meanwhile, American brokers approached our exporters who are eager to sell to them. In fact, there is nothing wrong with selling our rice, but our rice traders should cooperate among themselves instead of undercutting prices. We should have got \$220 or \$270 for our exports, but lately we got only from \$180 to \$190.

When they surveyed for our rice price during the price cut situation, they based their findings on the minimum price. We proposed to the United States that, since we cannot compete with America's best-quality rice, the U.S. should set a price 35 percent above our own. But the gap is even less than 30 percent according to the price just announced.

I don't think the new price will greatly affect rice exporters, but it will affect our farmers who have about 40 percent of paddy surplus to sell plus the produce of the second crop season. We have been trying to improve the paddy price for farmers. If we can export our rice at a good price, that is around \$220, we can raise paddy prices for farmers to about 3,000 baht per kwian. Now that the export price has dropped like this, it is impossible for us to shore up the paddy price. This is what has made me very upset. We have emphasized to the United States that we have 35 million rice farmers in our country constituting 75 percent of our population, and we want to improve the lot of our farmers. If they are left poor, they will have to sell their paddy fields. It is our wish that the United States help us on this problem. The U.S. Government promised me that the problem would be taken care of. However, now that the price has been announced, it shows that the United States has not listened to its friend at all.

I am a good friend of America, but I am sad if one is treated by its friend in such a manner. I am very unhappy. I have told my close associate this morning to contact the U.S. ambassador to tell him of my strong disappointment. I asked him to tell Washington that I am very unhappy and disappointed.

Let us see what rice price they announce next week -- whether it will move up. Then we can plan what we should do next.

[Reporter] Have you reported to the prime minister on this?

[Sitthi] The prime minister is away at present. Anyway, he has assigned us the responsibility and it is not necessary to report to him every time. I have told Danai to check on the details. The effect might not be too bad. We have to wait for the report.

Nevertheless, we do not want the Farm Act. We do not want the United States to apply the subsidy method. The measures will affect the majority of the Thai population and it will make the Thai people feel bad. As the foreign minister, I am unhappy about it. Frankly speaking, I am disappointed.

[Reporter] Are you going ahead with the plan to send a note to the U.S. Government?

[Sitthi] We will have to discuss this with them here first. We will ask them to review the decision on the price because it seriously affects Thailand. Thailand is a small country and the United States is big. It should not treat a small country in such a way. Our farmers are already subjected to price cuts by middlemen. U.S. traders do not have such problems and with the new price, which is very low, they will be able to buy much rice cheaply from farmers.

What I mean to say is that I wanted to see the United States adjust its posture in order to help us as it had promised. The price announced is against our interests. It is contrary to what we expected and shows that they have not taken our request into consideration at all. I am not blaming the U.S. Government; it was the U.S. Department of Agriculture which was responsible for the price estimation. We have submitted our data through the U.S. Government. The U.S. Government itself told us that it does not completely support the Farm Act. As for our next move, we have to wait for developments first. In this initial stage, we will tell them that we are very unhappy.

[Reporter] Are we complaining to GATT?

[Sitthi] There is nothing much GATT can do about agriculture. In fact, the Farm Act issue came about as a result of competition between the European Community and the United States. EC countries subsidize their farm products, making them more competitive with American produce. The American people therefore called for subsidies from the U.S. Government to help them better compete with European export. This battle should be limited to the big countries without dragging us into it too.

[Reporter] What will we do if the next price announced is even lower than that announced this time?

[Sitthi] If the price keeps falling, it means they intend to be malicious toward us. They may lose a friend. I am speaking frankly. I cannot stand a friend being malicious to us. The United States cannot take advantage of us and if they are sympathetic to their friend, they must take into consideration the problems we have. As for our next step, we will ask them to properly fix the next price.

This a political reaction on my behalf. Now we must wait for details of the estimates by technical officials in charge. We hope that they will think about our long friendship and good relations. American may lose a friend if what it does is harmful to Thailand. The American ambassador himself said he is not very happy about it.

[Reporter] As for Thailand, are we going to hold meetings to map out future plans?

[Sitthi] Yes, we will. We will have to ask the opinions of traders, of all concerned sectors -- the millers, farmers, and people. I ask our farmers to be patient and not to be discouraged because the Foreign Ministry is doing its best to solve this problem.

[Reporter] It is believed several pressure groups will campaign on this matter. What do you think about it?

[Sitthi] As I am in charge of the long-established relations between Thailand and the United States, I have already told them that I am in a difficult position. I cannot tell them not to protest. I have told them that we are already trying our best, and we hope that activities carried out by the pressure groups will not shut the door for the government to continue making efforts to solve the problem. I told them not to go too far in their protests because there are also those in America who have good intentions toward us. I told them their activities should be aimed at making our complaints heard by them.

[Reporter] When are the meetings going to be held?

[Sitthi] It should not be called a meeting. We will try to find out the reaction of major exporters, millers, and farmers. Different people will give interviews to the press and we will make a survey and contact them directly for their opinions. In fact, the Farm Act has affected us from the beginning because everyone adopted a wait-and-see policy for the price to be announced. The more they waited, the more rice they accumulated in their stocks. Once the government abolished the rice export premium, they rushed to sell their stocks, especially when they heard that the price to be announced by the United States would be low. The situation favored rice customers and they took advantage by buying at the lowest price possible. This resulted in price undercutting. The situation became hopeless when the United States announced the low price.

[Reporter] What measures are we going to take if there is nothing else we can do?

[Sitthi] We shall wait about 1 or 2 weeks to see the reaction from the U.S. Government which promised to help us on this matter. At the same time, we will monitor the impact from the Farm Act on Thai rice exports and report our findings to the United States. I will draft a note (protest) for the prime minister to sign, and I will then present the note to President Reagan in Bali.

President Reagan himself does not like trade protectionism. It leads to trade wars as in 1933 -- which resulted in economic recession and world war in 1940. I hope that the United States is fully aware of the lesson.

We have no power to bargain with them because we are a small country. We must group with other countries such as those in the ASEAN bloc. We are not an enemy of the United States. Our trade with the United States ranks second or third after that with Japan. We have free access to the U.S. markets. Last year we earned about \$480 million in trade surplus with the United States compared with previous losses of about a billion dollars. Therefore, we must think carefully before taking any action and we must study the overall picture.

## Economic Official Comments

BK12i602 Bangkok Television Service in Thai 1418 GMT 12 Apr 86

[Text] Our special report today will present to you the details of the U.S. rice prices under the Farm Act, which were announced yesterday. Danai Dulalampha, director general of the Economics Department of the Foreign Ministry, has calculated the rice price formula announced by the United States and concluded that the export price should be \$230 per metric ton shipped to cargo vessels.

[Begin Danai recording] The U.S. Department of Agriculture has announced the price of long-grain paddy at \$6.9 per 100 pounds. This price announced by the United States will be used to fix the price of paddy sold by farmers to U.S. exporters and rice mills to be milled for export. Based on the paddy price announced, the United States also announced a formula for calculating the export price for U.S. long-grain rice, category 2/4, which is the best-quality of U.S. rice. What will be the method of calculation? Based on that formula, some costs will have to be added to the paddy price announced, whereas sometimes the value must be subtracted from that price. The Thai working group -- comprising myself, the director general of the Foreign Trade Department, and the deputy director general of the Foreign Trade Department -- have calculated on the basis of the official U.S. formula and have come to the conclusion that the rice export price to U.S. ships should fall at about \$255 per metric ton. Anyway, I must add that, although we are calculating from the official U.S. formula, we have no way of knowing the exact value to be added or subtracted from the basic price announced. Therefore, we will have to make an estimate on major costs ourselves, such as the milling cost, the cost of shipment from the rice mills to cargo ships, the cost of packaging, and the cost of gunnysack, as well as the prices of other by-products such as bran and broken rice, based on figures obtained from the U.S. Rice Mills Association.

It is well known that the interests of the U.S. Rice Mills Association run counter to our interests. As we will base our calculation on their figures, I am convinced that some figures given by the U.S. Rice Mills Association are flexible to serve their interests. Based on the official U.S. price formula and the figures of the U.S. Rice Mills Association, as I have told you, we have calculated that the export price of the U.S. long grain rice, category 2/4, should be at about \$255. Anyway, taking into consideration that some of the figures given by the U.S. Rice Mills Association are flexible, our group -- myself and other officials in charge of calculating the U.S. rice export price -- expect the U.S. rice export price to remain at about \$230 per metric ton, it is still too low compared to current Thai rice export price in the opinion of our working committee. All in all, it depends on the present export price of Thai rice.

We expected the U.S. rice price to be about 35 percent higher than the Thai rice price, taking into consideration the floor prices of rice exports in each country. That is, there should be about a 35 percent difference in price between Thailand second grade 100 percent rice and the U.S. long grain category 2/4. Therefore, if the export price of Thailand's second grade 100 percent is \$200, the U.S. long grain category 2/4 should be fixed at about \$260 to \$270. If Thailand exports its second grade 100 percent rice at a price below \$200, the U.S. price might be lowered.

Nevertheless, at present, even though we expect our export prices to be low as a result of the Farm Act, which is in keeping the world market prices low, the U.S. export prices for rice, which I estimate at about \$230, are still low. The price will be 35 percent less than that of Thai rice.

Regarding the impact, I think that there will certainly be effects on the authorities. The United States may be able to sell more rice to some markets that are currently Thai rice markets. As the United States can sell more rice in some markets, naturally the country that will sell less rice will be Thailand since there are only two big exporters in the world -- Thailand and the United States. When one of these countries can sell more, the other country will naturally sell less rice.

What concerns me is this: If the price of rice eventually offered for sale by U.S. exporters is about \$230, the price of the rice sold by Thailand will not be much higher than the current price, thus affecting the price of paddy.

Anyway, before concluding this interview I would like to stress that the \$230 per metric ton price we calculated is our estimated price. We will know of the actual price after U.S. exporters or U.S. rice mills purchase paddy from farmers at the rate announced by their government -- \$6.79 per 100 pounds for long-grain paddy. After milling paddy, U.S. rice mills can sell other by-products. All these will be taken into consideration for calculating the export price they will offer to the world. This offered price depends on the efficiency each U.S. rice mill and exporter. Some may ask a price lower than \$230, some may ask \$230, and some exporters may seek a price higher than \$230. We will have to wait to see how much U.S. exporters will sell their rice for. It is expected that this offer will be made in the next few days. [end recording]

#### Industry Minister Comments

BK130222 Bangkok THE NATION in English 13 Apr 86 pp 1, 2

[Text] Traders and government officials said that Thai rice will not be able to compete with U.S. rice in the international market due to small price differences. Thailand earlier expected the difference to be as high as US\$60 per ton.

Industry Minister Chirayu Itsarangkun na Anyththaya said that Thailand would have to wait for the trend of world rice transactions. Increasing rice trade is expected now that the U.S. has come out with the long-awaited prices.

"The problem is the point of transactions, the markets and at what prices. After these, we will know how much of the market share the U.S. will capture from Thailand," said the minister.

The low repayment rate has proven that Washington has provided a high rate of subsidy which is unfair to Thailand. "Because the U.S. has already proven that Thai subsidies amounted to only 0.754 per cent," said the minister. He added that the low prices would just benefit the buying countries and Thai farmers will have to settle for a much lower income.

The U.S. Information Service said: "It is important to note that this paddy price has not been converted to FOB prices. The FOB export prices offered by individual millers and exporters will vary according to their own milling, transportation and other costs. Consequently, it is too early to tell just what the U.S. export prices will be."

In determining the paddy prices, which will be revised weekly, the U.S. Department of Agriculture has based its calculations on prevailing prices of Thailand and other countries. The department has also taken into consideration all comments made on its published formula for price determination, said USIS.

As soon as the announcement was made, American rice traders telexed to a major Thai rice exporter, Sun Hua Seng Group, saying that the Free Along Side (FAS) export prices are U.S.\$224 per ton for long grain No. 2, four per cent; 10 per cent grade is \$217; 20 per cent is \$210, and \$246 per ton will be charged for four per cent parboiled rice. The prices disappointed Thai exporters.

Sun Hua Seng chairman Kitti Damncenchanwanit, who earlier said that Thai exporters need not fear the Farm Act, told THE NATION yesterday that the announcement has demonstrated the U.S. intention to capture the rice market share from Thailand so as to become the world's number one exporter.

"There is no way for Thai exporters to dump on the market in a price-cutting competition with the U.S." he said.

Kitti said that he was totally lost in seeking the means to compete with the U.S. "I will have to duck. Only the government can deal with the U.S.," he groaned. He warned that the low U.S. rice prices would eliminate the market for high-quality Thai grain. Thailand will have to compete with Pakistan and Burma for the market share for low-grade rice. "There is no need to talk about the export target for rice for now," he said.

Hong Yiah Seng Co Ltd [HYS], the third largest exporter, told THE NATION that the lower prices for U.S. rice would make it difficult for Thailand to compete. This will also lead to a local paddy price decline.

Prachai Liewphairat, who is HYS's managing director, said that the subsidized rates would bring the U.S. paddy price down to 2,400 baht per ton and Thai paddy must be priced at 1,500-1,600 baht per ton to remain competitive. The minimum price announced by the Thai government for five per cent paddy was 3,000 baht per ton.

#### Economic Ministers Meet

BK140638 Bangkok Domestic Service in Thai 0530 GMT 14 Apr 86

[Text] The Council of Economic Ministers has held an urgent meeting today to discuss the United States setting its rice price at about \$190-\$200 per ton, which is rather low and strongly affects Thailand's rice price and farmers. Deputy Prime Minister Phichai Rattakun disclosed to newsmen before the meeting this morning that the setting of the U.S. rice price shows that the United States takes only its own interest into consideration, totally disregarding repercussions on its allies. He said Thailand could implement various measures to tackle the matter, including such strong measures as government subsidies to farmers and exporters or controls on U.S. imports and moderate measures like Thai negotiation with the U.S. AID. In any event, Phichai said in his opinion Thailand should use moderate measures and avoid retaliations. He said he disagrees with an appeal for assistance from the United States as a way to resolve the matter, favoring a rationale approach. The deputy prime minister appealed to rice-producing countries, including those in ASEAN countries, Pakistan, Australia, Burma, and other countries, to cooperate in struggling against the United States.

Meanwhile, Finance Minister Sommai Huntrakun told newsmen on the same occasion that even the United States found the idea of a government subsidy for farmers and exporters tough. The United States dared to introduce a subsidy because it has greater economic power than Thailand. While rice is only a small portion of U.S. products, rice is Thailand's major product and subsidizing it would increase Thailand's burden proportionally. It remains to be seen what will eventually happen. In any event, what the Foreign Ministry has done so far is excellent. The extent of repurcussions on Thai rice is not certain at this time, but we should not expect the worst-case scenario.

Deputy Foreign Minister Praphat Limpraphan also said that while the U.S. rice price affects Thailand greatly, there are only several dozen thousand U.S. rice farmers. For this reason, Thailand must step up its diplomatic and political measures and its negotiations must be more vigorous and direct. He said Thailand's actions will be in several stages, beginning from now, next week, and next month when the deputy prime minister meets the U.S. President in Bali. These actions will be continuous. He is confident that the matter can be resolved to some extent -- it may not be altogether, but the problem will be resolved somewhat.

#### Rice Official Speaks

BK130226 Bangkok BANGKOK POST in English 13 Apr 86 p 1

[Text] President of the Thai Rice Exporters Association Saman Ophatwong said that it is too early to judge how badly the new U.S. prices will affect Thailand's rice exports.

He said that no deals had been made over the past few weeks as buyers were waiting for the new U.S. prices. "Things should be clearer next week when the rice trade resumes," Mr Saman said. To deal with the situation properly, Mr Saman said that "we must compete effectively with the (U.S. exporters). The Government and the exporters must join hands."

According to Rice Exporters Association's estimates, the U.S. export price of 100 per cent grade rice will be \$224 per ton, 10 per cent grade \$217 per ton, 20 per cent grade \$210 per ton, and 100 per cent par-boiled rice \$246 per ton.

Mr Saman said American exporters recently made forward sales of 100 per cent grade rice to Europe in which the price was fixed at \$240 per ton.

Mr Wichai Siprasoet, president of Riceland International Company, said paddy prices announced by the U.S. Department of Agriculture substantially narrowed the price gap between U.S. and Thai paddy. In the past, paddy sold by the United States was between, 4,500 and 5,000 baht a ton. Now it will be sold at less than 3,000 baht a ton, which is nearly the same as the paddy sold here.

Mr Wichai said U.S. paddy yields a higher percentage of high-grade rice than Thai paddy which offsets the higher processing costs in the United States.

He said he believes that the export prices of U.S. and Thai rice will not differ much. It will depend on how much profit margin the U.S. exporters keep. He said the purchase of Thai rice had nearly stopped completely during the past month because buyers were waiting for the new U.S. rice prices.

However, he said it was fortunate that Thailand was able to export up to 640,000 tons last month, which was a monthly record amount. Otherwise, he said, the paddy prices in the country would have plunged further. He attributed the record rice exports last month to the Government's free trade policy.

Mr Wichai said the United States would stand to lose money by subsidising the rice prices with a budget of \$1,000 million since the yearly earning from rice exports was lower than the subsidy.

He said the United States with its financial strength should keep the rice in stock instead of dumping it on the world market. In dumping rice the U.S. will not only lose its credibility but also its image in Thailand, he added.

## THE NATION Editorial

BK140155 Bangkok THE NATION in English 14 Apr 86 p 4

[Editorial: "Rice Exports Will Be Hurt But No Need for Any Panic" ]

[Text] Our worst fears have been confirmed -- the United States has delivered a very powerful blow to our rice export trade but we should not consider it a knockout punch. Ever since U.S. President Ronald Reagan signed the Farm Act late last year, we knew that the price of American rice was going to be brought down. Thailand lobbied intensely for several months to see that the price of American rice is not brought down drastically so that our exports will not be badly affected. Our arguments, it appears, have fallen on deaf ears.

Thailand wanted the difference of price between Thai rice and American rice to be at least 35 percent but now the price of American rice has been reduced to about \$230 per ton thus making the margin of difference less than 15 percent. There can be no doubt that our exports will be affected if the reduction of the price of American rice is linked to the Food Aid which the U.S. gives and the American ability to sell on long-term low-interest credit.

Both the U.S. administration and Congress have for long been trying to support American farmers and recently there have been some small farms there which had gone into bankruptcy. President Ronald Reagan, when he was campaigning for his first term in office, said that if he is elected he would abrogate the legislation forbidding American export of food grains to the Soviet Union. His predecessor, President Jimmy Carter, had imposed the ban when Soviet forces invaded Afghanistan in December, 1979.

When Reagan entered the White House, one of the first things he did was to keep his campaign promise and export grain, mainly wheat, to the Soviet Union. Recently U.S. Agriculture Secretary James Lyng said that the American farmer should not be used to subsidize American foreign policy. But there are several other ways of helping the U.S. farmer than by bringing down the price of rice which, it must be obvious to the administration, will hurt a close friend.

Deputy Prime Minister and Foreign Minister Sitthi Sawetsila, while expressing his anger over the U.S. move, said that Thailand will not lose its traditional Asian markets. However, he pointed out that the premium quality rice we export to Europe, Middle East and Africa will suffer. How the international rice market will settle is difficult to predict now and exporters are keeping a wary eye on any shockwaves that the American decision may create.

Director General Danai Dulalampha of the Foreign Ministry's Economic Department expects that Thailand will lose 400,000 to 500,000 tons of rice export a year if the U.S. prices remain the same. But at the moment there is no need to panic. The best course of action is for the government and for the exporters to become more aggressive in their efforts to export rice. It would also be wise to keep the pressure on the U.S. since the price of American rice is expected to fluctuate. The first move in this direction will be taken by Sitthi when he meets Reagan in Indonesia on May 1.

However, even before that our lobbyists, exporters and our embassy in Washington must orchestrate their efforts since they must act in unison to have some effect on the weekly fixing of the price of American rice. We admit that the Reagan Administration has a vast array of domestic problems but there are some in Washington who will view Thailand's plight sympathetically, especially because it is the frontline state in the Kampuchean guerrilla war.

## BANGKOK POST Editorial

BK130240 Bangkok BANGKOK POST in English 13 Apr 86 p 1

[Editorial: "Hitting Us Where It Hurts the Most..."]

[Text] In Thailand, elder brothers always help younger brothers. And elder brothers do not act to hurt in any way, younger brothers.

Although the United States is a land far away with a different culture, heritage and customs, we have long enjoyed a warm, strong and lengthy relationship.

We've gone through battles together: Vietnam, Laos and Korea and at the same time the U.S. has helped us a great deal in our political and economic struggles.

Despite our cultural differences and because of our close ties, we have long looked on the U.S. as an ally and our friend, if not an elder brother.

But yesterday the United States did not act like an elder brother.

The U.S. Department of Agriculture (USDA) announced the basis for calculating the new world rice price which analysts and officials estimate will fall to between \$225-235 per ton.

This estimate is lower than our expectations and we share Deputy Prime Minister Sitthi Sawetsila's deep disappointment.

We realise that the U.S. farmer is facing an extremely tough time and we understand President Reagan's desire to fight protectionism.

We also realise that the Administration and the Congress do not necessarily see eye-to-eye and this poses problems for the executive branch -- and Congressmen sympathetic to our woes -- in trying to push for the best results for Thailand.

On the other hand, it would be unfair to say that the U.S. has not listened to our concern and requests.

In areas where the U.S. can exercise discretion in our favour, it has.

-- The USDA has ensured that the 2.7 million tons of American rice stocks will not flood the limited world market. This amount is expected to grow to four million tons after the coming harvest.

-- They have guaranteed that their farmers will at least not plant more rice this year than last year.

-- Funds for export enhancement over the next three years have been slashed from two billion to one billion dollars.

-- Credit subsidies funding has also been reduced from \$325 million to \$110 million.

The fact remains, however, that the bottom line of the Farm Act is to sell U.S. agricultural goods and we appreciate the reasons behind this.

But the bottom line for Thailand is that the price provisions will seriously affect our rice sales.

Many Thais realise that the U.S. is helping us to stand at the frontline against communist aggression across our borders and assisting us in our enormous burden of having to care for hundreds of thousands of refugees in our country.

But the ordinary citizen will ask, despite all reasonable explanations, that if the U.S. is giving us aid and is really our friend, why are they doing this?

Although we are disappointed, we cannot be idle and must take action ourselves.

The U.S. Farm Act took us by surprise and by the time we started lobbying it was too late. This must never be allowed to happen again.

We need to improve our monitoring of Congress: to train and deploy staff able to pin-point and follow the difficult and often confusing movements within the U.S. legislative bodies.

Already Congress is talking about a trade bill aimed at unfair trade practices which could adversely affect Thailand, citing intellectual property rights as an example.

We are, indeed, disappointed with our elder brother. But we, too, need to do better ourselves to be able to urge him to help us before a fait accompli.

#### FURTHER REACTION TO DIRECT TALKS WITH VIETNAM

##### Sitthi Sees No Harm

BK111349 Bangkok Domestic Service in Thai 1300 GMT 11 Apr 86

[Text] Deputy Prime Minister and Foreign Minister Air Chief Marshal Sitthi Sawetsila said today that he is ready to meet with SRV Foreign Minister Nguyen Co Thach if he is sincere, because a meeting would not harm anyone and Thailand has not closed its doors to Vietnam. The deputy prime minister said, however, that the decision on whether or not he will meet with the Vietnamese minister will have to await the result of a meeting between the Indonesian and Vietnamese foreign ministers. There should be a chance for some success if a meeting is to take place, and he does not want others to be misled into thinking that the Cambodian question is a problem between Thailand and Vietnam. The Cambodian question is a problem directly between Vietnam and the CGDK. Thailand and other ASIAN countries support the 8-point proposal of the CGDK for a political and peaceful solution of the Cambodian problem. The ASEAN countries will state this position again at the ASEAN ministerial meeting in Bali. The CGDK proposal has also received support of the UN secretary general.

##### THE NATION Editorial

BK110059 Bangkok THE NATION in English 11 Apr 86 p 4

[Editorial: "Foreign Minister Takes Dim View of Sitthi-Thack Talks"]

[Text] The question of Vietnam and Thailand holding talks in order to defuse the Kampuchean problem has been broached by Indonesian Foreign Minister Mokhtar Kusumastmaja and by the Vietnamese Ambassador Tran Quang Co. Vietnamese Foreign Minister Nguyen Co Thach will be in Bangkok April 20-23 on his way back from New Delhi to Hanoi and the suggestion he is to meet with Foreign Minister Sitthi Sawetsila has been put forward. But nobody seems to know or even guess how this will advance a political solution to the Kampuchean problem.

Mokhtar has spent a day here talking with Sitthi and he will be meeting with Thach in New Delhi and will be presenting the views of ASEAN for which he is the interlocutor with Hanoi. Since Mokhtar has already discussed the matter here, he will be not only presenting the ASEAN point of view but that of Thailand too. Sitthi has said that he will be willing to talk with Thach if the latter is sincere and serious.

The main point that Mokhtar will be taking up with Thach is the comprehensive eight-point peace plan which the Coalition Government of Democratic Kampuchea (CGDK) announced in Beijing recently. Vietnam rejected it out of hand saying that it was a Chinese ploy to get the Khmer Rouge back in power in Phnom Penh. But Mokhtar does not seem to believe that Hanoi's rejection is final. He thinks there is still a good chance that Vietnam will change its mind and enter into dialogue with ASEAN.

But after Sitthi's talks with Mokhtar, the Foreign Ministry issued a tough statement that all but excluded Thai-Vietnamese talks. The statement clarified the suggestion that talks were necessary to remove "traditional fears and suspicions" between Vietnam and Thailand. Such a suggestion, the Foreign Ministry contends, is seemingly well-meaning but actually is regrettably misleading.

It was correctly pointed out that Thailand, by itself, had nothing to do with the creation of the Kampuchean problem which was actually caused by Vietnamese invasion and occupation of that country. Although the statement did not say so, it is clear that Thailand has suffered much from the invasion -- Thailand had to accommodate refugees and also had to beat back Vietnamese incursions. If there are any fears and suspicions, they were caused by the behaviour of Vietnamese troops along the border.

Since it was Vietnam which created the problem by becoming the aggressor, the statement pointed out that it should talk to Kampuchea which became the victim. This, according to the eight-point peace plan, would be possible when the Vietnamese troops begin to leave Kampuchea and a UN peacekeeping force takes over. The statement said, "as a matter of principle, neither Vietnam nor any other country has any right to impose on the Kampuchena people a solution unacceptable to them." This is not only Thailand's view but also that of ASEAN and over 100 members of the United Nations.

Mokhtar will be returning to Bangkok from New Delhi ahead of Thach and it appears as if he will have to present convincing reasons from Thach before Sitthi can agree to meet Thach later.

#### SITTHI SAWETSILA SPEAKS ON FOREIGN POLICY

BK110943 BANGKOK WORLD in English 11 Apr 86 p 2

[*"Full text" of speech by Air Chief Marshal Sitthi Sawetsila, deputy prime minister and foreign minister, on the occasion of the Foreign Ministry's 11th anniversary on 11 April]*

[Text] On April 14, 1986, the Ministry of Foreign Affairs will be one hundred and eleven years old. This journey, of which my tenure of the office of Minister of Foreign Affairs forms but only a small part, is indeed a long one. Already it has taken us through many historic milestones which have become our hallmarks as a people. Through the years we have been fortunate to sail with the winds on our back. We steer our ship with hope, safe and sound, through the turbulence which has become part and parcel of the international politics of the present era.

Soon we will, together and separately, begin anew the efforts to build the Thai future. The task will be, to say the least, far from easy. The international situation is disturbing, the regional situation is less than favourable, and domestically the going continues to be uphill.

It would be sheer folly only to indulge in the illusion that all is "well." Yet at the same time, it would also be defeatist if we were to believe that the situation is "irretrievable." That is not the Thai way. On my part, I only know that, as a people, we do have no greater asset than the willingness and determination to face all problems frankly and meet all dangers free from panic or fear.

In the past year, I have travelled not only across our own land but to other lands -- to the North and South, East and West, and across the seas. In all the places where I have been, I have found that there is a vast reservoir of good will for Thailand. Peoples look to us with confidence and admiration. Thailand has become the model of a successful diplomacy.

Our overriding obligations in the months ahead, therefore, will not only be faithful to their trust, but also to fulfil the hope of our own people -- and that is to uplift the well-being of our people.

The task must begin at home. We have learned, through the hard and bitter experiences, that we must put our house in order. The Ministry of Foreign Affairs plays no small part in creating the good image of the country. We must reflect on other countries and peoples the quality and spirit of our people. Now everyone in the world outside knows that we have not lost our faith in democracy. We have laid to rest the nagging question about the stability of our democratic government.

We have also learned, in the past year, that continuing economic ills are likely to undermine the ability to conduct an effective foreign policy. Economically, of course, the past year has been of an extraordinarily trying time for all of us. In my new capacity as the principal coordinator on economic affairs, I have added a new, important dimension to the conduct of foreign policy. Now it is more broad-based. The mobilisation of ideas and counsels from the various sectors has been institutionalised in the Ministry of Foreign Affairs. In this process, the formulation of our foreign policy can be said to have become more democratised. Its implementation, too, has undergone changes. Foreign affairs are no longer the preserve of the Foreign Ministry. In this endeavour, we have received in measure the cooperation and coordination of all concerned -- be they in government, the private sector, academicians, mass media, students, and people from all walks of life. As I have said many times before, no one has the monopoly of truth. Through the new arrangements, I believe that confidence in our ability to master the present difficulties soon will not only be restored but further strengthened.

I will of course admit that confidence is one thing, success is another. When faced with an economic recession, the first reaction would usually be to cut consumption, reduce imports, adjust the exchange rate, and expand exports. In the longer term, however, these measures will not always work. To get Thailand moving again takes much more than that. It takes many constructive programmes and many far-sighted policies. In all this the role of the Ministry of Foreign Affairs can be very crucial.

The outlook at present can be said to have brightened up. With the reduction of the oil prices and the interest rates worldwide, it should be possible for us to reverse the process of the economic downturn. Fresh capital is being generated from both within and without.

It should be our policy to keep our economy competitive by widening the access to credit and contracts for both Thai and foreign business. In conjunction with the concerned Ministries and agencies, the Ministry of Foreign Affairs is also doing a lot of works to attract investors and tourists from abroad. At the same time, however, we also realise how important it is for all nations to promote their own growth, and it would be more fruitful if they can do so in coordination. Our membership in the Security Council, as well as our position in the world as a bridge between the North and South, has proved invaluable in this regard.

But as an agricultural country, Thailand also depends on its farms and natural resources. I think we can take pride in the fact that Thai rice now holds nearly 40 percent of the present world market. This is no accident; it is rather the results of good salesmanship and the popularity of our products. Of course our share of the world rice market is now in serious jeopardy because of the competitive and unfair measures adopted by a certain country.

However, our task must remain to master and turn to fully fruitful ends the magnificent productivity of our farms and farmers. It is a source of pride to all of us; but, without new, realistic measures, it could demoralise our farmers and cause a severe depression in prices -- both at home and abroad. Perhaps it may be necessary to think now about the long-term possibility of tailoring the use of our lands and the supplies of each crop to the real needs, both for domestic consumption and for export, in order to prevent glut.

In this connection, I am also of the view that perhaps a new, comprehensive programme for the restructuring of our economy may be in order. Since the last decade or so, Thailand's economic development has been based to a great degree on the exportation of our goods. Despite shrinking markets, our assertions have been highly successful. Thanks to the application of modern technology, we are today an internationally accepted manufacturer, in addition to being an important producer of commodities. Both the public and private sectors are putting in the best of their efforts. They are working hand in glove to find new outlets for our goods. Indeed, the results have been spectacular; Thailand has firmly established itself as an international trader.

But the greatest challenge of all is being posed by the growth of protectionism and cutthroat competition in various shapes or forms from the developed countries. This happens as a natural result of the worldwide economic recession which has been with us since the beginning of the last decade. Moreover, today there are scores of significant trading nations of widely cultural backgrounds with great variation in labour costs and standards of living, but with comparable levels of sophistication. And so the question arises: Will we in this country adapt our thinking to these new prospects and patterns, or will we wait until events have passed us by?

In the recent months, controversies have been raging as to whether we have done enough to ward off the danger that is imminent. Let me assure you that we have. The action is one of concert and unity. All of us have acted as partners in the common cause. While the outcome of our efforts is by no means certain, we can not be faulted for not having tried and done our best.

Thailand adheres to the principles of free trade, and will continue to do so for as long as we can see. It is common knowledge that the hope for recovery of the world economy depends on the strengthening of the free-trading system. The industrialised nations of the West, including Japan, must take the lead. During his recent visit to Thailand, Secretary of State George Shultz of the United States said that "protectionism is not the remedy to an illness; it is, in itself, an illness." While no single American initiative can be expected to do the whole job, we in Thailand are looking with keen anticipation for an American example.

The forthcoming summit of the industrialised nations in Tokyo is therefore of paramount importance. Not only can the industrialised nations afford any longer to continue to pursue incompatible economic policies among themselves, they must also seriously take into account the real needs and interests of the developing countries. We have had many disappointments in the past. This time, we would like to see that a coordinated programme to stimulate the general economic expansion be instituted. Nothing is more likely to encourage a sound political evolution in the developing countries than the hope that they may share soon in renewed growth.

Meanwhile, Thailand cannot wait for the actions of others, over which we may have little or no control. We will get on with the business at hand. In the volatile international environment which we find ourselves, we must transcend the traditional pattern of diplomacy. This is an era of interdependence, economically and politically, among the developing countries.

We are well on the road. We are in the period in which creative policy can make major progress. In the last six years, Thailand has established diplomatic relations with 35 new countries. The united strength of the Association of Southeast Asian Nations has continued to flourish. Thailand wholeheartedly congratulates the Philippine people and government for the triumph of democracy in their country. The ASEAN countries are now working on issues that would move them onto the new plateaus of regional progress and prosperity.

The Economic Summit is being planned for next year, with the Philippines as the host. There and then we will be strengthening our efforts to forge cooperation between the North and South, as well as between the South and South. And we will also be mapping out new political and economic strategies in our relations with the developed countries in warding off protectionism and in preserving the free trading system.

To the east of our border stands a grim symbol of power untamed. The occupation of Kampuchea by Vietnam is now in its eighth year. Deeper and deeper Vietnam is sinking in a quagmire, and is in enormous trouble economically. We greatly admire the courage and determination of Kampuchea in its struggling to be Kampuchea. Our hearts and minds are with the freedom fighters. We are delighted to see that they are making progress in the field. On our part, I can also report that we ourselves have made great progress in containing the situation along the border and at the threat to our territorial integrity has largely diminished.

Two weeks ago the Coalition Government of Democratic Kampuchea undertook an active diplomacy to end the conflict by proposing what might be "an Indochinese solution to an Indochinese problem." This is known as the "Eight-Point Proposal" whereby the principal protagonists would be allowed to negotiate and reconcile directly among themselves. This proposal has the support of the international community and of ASEAN. It does not ask for much; it is a process, a beginning, and a direction for a negotiated settlement. It does not ask for a surrender, nor does it ask for an abdication of Vietnam's legitimate interests in Indochina. This much the Kampuchean people have the right to ask. This little Vietnam can certainly afford to give. But Vietnam has, without legitimate reasons, turned a blind eye on it.

As for Thailand and ASEAN, we stand ready to help Vietnam end the nightmare in Kampuchea if and when it wants to wake up from it. On our part, the undertaking will not be for a tactical, transient, or expedient reason. It is out of our genuine desire for peace in the region.

Vietnam should now realise, if it has not realised already, that better relations with Thailand are in its best interest. They would have far greater implications than normally would have Vietnam's other relations. Both the United States and China, with which Vietnam would like to normalise relations, have said that their attitudes will be influenced by Vietnam's behaviour towards Thailand and the Kampuchean problem.

Now that the opportunity presents itself, Vietnam should seize it. The need for a solution to the Kampuchean problem has never been more acute than it is now. Thailand and ASEAN, along with the other members of the international community, can be counted up on to help Vietnam break the impasse in the Kampuchean and other problems.

Finally, let me end my remarks with a note of hope. I am basically an optimist, in addition to being a realist. Both the successes and the setbacks of the past year remain on our agenda of unfinished business. The show must go on, we cannot break off the journey now. We will always remember that the world is not meant to be a prison in which man awaits his execution. Nor have we, as a people, survived the tests and trials of over 700 years to surrender everything including our place in history, now. This nation has the will and the faith to make a supreme effort to break the log jam on the economic development, and security problems. And we will persist until we prevail, until we see the light glow at the end of the tunnel, no matter how far away.

In the words of a great statesman, "with all the mighty foes we have laid low and all the dark and deadly designs that we have frustrated, why should we fear for our future?" "We have," he said, "come safely through the worst."

#### MP'S EXAMINE WAR RESERVE STOCKPILE PLAN

BK120900 Bangkok SIAM RAT in Thai 12 Apr 86 pp 1, 12

[Text] Sisaket MP Roemrat Chitphakdi of the Social Action Party said he has submitted a motion to the chairman of the House Military Affairs Committee calling for an explanation by the defense and the foreign ministers of the plan to set up a war reserve stockpile with the United States and the advantages and disadvantages of the plan. He wants the session to be held on 31 April [date as published].

Another member of the House Military Affairs Committee MP Prasit Donpho-ngam of the Piachakon Thai Party from Chainat Province, told SIAM RAT that he personally opposed the setting up of the war reserve stockpile because there would be more disadvantages than advantages. It would create hostile feeling against our country. Strategically speaking, Thailand could become a wartime target because of the depot.

Commenting on the plan to set up a war reserve stockpile -- while the Thai and U.S. Governments are still negotiating -- Communications Minister Samak Sunthorawet said all the misunderstanding comes from the fact that the public has not been told the truth. In fact, the matter was discussed during the Cabinet meeting on Thursday, and he himself supports the plan because Thailand needs weapons. Without a reserve of weapons, Thailand will have trouble defending itself if there is any emergency. Concerning the war reserve stockpile plan, he said it was initiated by the Thai Government. It was not due to an approach by the United States.

"The war reserve stockpile will help guarantee our security. As for those who oppose the plan, I would like to know if they have Vietnamese parents or if they are Vietnamese themselves," Samak said, adding that King Rama I taught the Thai people that if they want to have peace, they must always be militarily prepared.

NHAN DAN DISCUSSES WEINBERGER'S ASIA-PACIFIC TOUR

BK141318 Hanoi Domestic Service in Vietnamese 1430 GMT 13 Apr 86

[13 April NHAN DAN "article" by Le Ba Thuyen: "The Criminal Trail of a Trip"]

[Text] U.S. Secretary of Defense Weinberger recently concluded a visit to five Asia-Pacific countries. During this trip, the head of the Pentagon aimed to achieve three concrete objectives, namely, to consolidate and strengthen the U.S. military alliance with Japan and South Korea in Northeast Asia; to tighten U.S. military links with the Philippines, where the United States has two huge military bases -- Clark and Subic -- and with Thailand; and to consolidate the crumbling ANZUS military bloc in Southwest Pacific. All this is intended to accelerate the deployment of the new U.S. Asia-Pacific strategy which was set in motion by U.S. President Reagan during his trips to Japan and South Korea in late 1983 and to China in April 1984. In addition, Weinberger sought to press Japan and drag Australia into the U.S. SDI [Strategic Defense Initiative] program.

The U.S. secretary of defense gave special attention to South Korea and Japan, considering this region vital to U.S. security and strengthening the U.S.-Japan-South Korea military bloc in Northeast Asia as the United States' primary objective in Asia and the Pacific. Still not at ease even with 40,000 U.S. soldiers and 50 military bases already deployed in South Korea, Weinberger pledged to send more modern weapons to the region. He pressed Japan -- a gigantic U.S. military complex with 48,000 U.S. troops and 110 military bases -- to increase military spending, urgently carry out militarization, and step up the deployment of a squadron of 48 modern F-18 fighters capable of carrying nuclear weapons at Misaka, close to the Soviet border.

In Southeast Asia, the U.S. secretary of defense paid special attention to maintaining the U.S. military bases in the Philippines including the two largest air and naval bases outside the United States -- Clark and Subic, where 15,000 U.S. troops are stationed and which serve as the home bases of the U.S. 7th Fleet and the 13th Air Force in the Pacific. He promised more military aid to the Philippines to help it modernize its armed forces. Another focus of Weinberger's attention was Thailand, where Washington and Bangkok have decided to build a large war reserve stockpile, thereby paving the way for the Pentagon to station U.S. troops in Thailand and to restore the military bases built there by the United States during the years of its war of aggression against Vietnam, Laos, and Cambodia. This stockpile will be a tool for the United States to interfere in the internal affairs of Southeast Asian nations. Together with the existing U.S. war reserve stockpiles in Japan and the Philippines, it will form a massive system of logistic bases to resupply the 300,000-strong U.S. Rapid Deployment Force in its advance from Guam to Okinawa, Clark, and Subic, passing through the military bases which the United States is planning to reopen in Thailand and through Diego Garcia in the middle of the Indian Ocean, and finally entering the Middle East.

In the southwest Pacific, Weinberger attempted to persuade Australia to find a way to consolidate the ANZUS bloc, which is in the grip of a deep crisis resulting from the New Zealand Government's decision to ban U.S. nuclear-powered or nuclear arms-carrying warships from making port calls in that country. Consolidating ANZUS is currently a great concern of the United States not only because its member countries are an important position from which to control the natural resource-rich Southwest Pacific region but also because they constitute one of the two routes of advance of the U.S. Rapid Deployment Force to the Middle East. Moreover, they may serve as a jumping-off base for U.S. strategic air forces to intervene directly in the Indian Ocean and the Persian Gulf and they house secret bases serving U.S. satellite spying activities.

Weinberger's criminal trip has shown that the United States is feverishly implementing its reactionary Asia-Pacific strategy in hopes of encircling and attacking the Soviet Union and the socialist community from the east and south; controlling this region militarily, politically, and economically; meddling in the internal affairs of other countries; and disrupting normal relations among nations in the region.

The trip of the head of the Pentagon marks an extremely dangerous and utterly reactionary new development of the U.S. militarist in this part of the world. This strategy, based on U.S. alliance with Japan and South Korea and on U.S. cooperation and coordination with the Chinese reactionaries and other reactionary forces in the region, poses a very serious threat to peace, security, and stability in all Asia and the Pacific.

To cover up these dark schemes and acts, during his trip, wherever he went the U.S. secretary of defense ceaselessly uttered slanders and fabrications about the threat of expansion and aggression from the Soviet Union and Vietnam. This allegation is very similar to the one spread by the Beijing reactionaries. One thing is clear. While progressive opinion in Asia and the Pacific has strongly condemned Weinberger's trip, the Beijing authorities have remained silent, refusing to utter even a single word critical to the United States.

During his trip, Weinberger faced anti-U.S. demonstrations in Seoul, Manila, and Bangkok under the slogans "We want peace, not weapons," "Yankees, go home," "Weinberger, go home." These demonstrations reflect the real attitude of the Asia-Pacific people towards the dangerous U.S. calculations in this region and also show that the situation in the region has changed and that reactionary forces in the world, the U.S. imperialists included, can no longer run counter to the trend our time -- that is, the trend of peace, national independence, and social progress. The New Zealand prime minister's recent declaration that his country would rather withdraw from the ANZUS treaty than change its anti-nuclear weapons policy indicates that the United States can no longer impose its will easily on independent and sovereign nations.

Washington's dangerous plots are putting the Asia-Pacific nations on guard and making them more determined to struggle for the conversion of Asia and the Pacific into a region of peace and stability in conformity with the genuine interests and earnest aspiration of the 3 billion people in the region.

#### NHAN DAN SCORES U.S.-THAI 'MILITARY COLLUSION'

BK110742 Hanoi Domestic Service in Vietnamese 1430 GMT 10 Apr 86

[Commentary in 'recent' NHAN DAN: "Washington-Bangkok Military Collusion Seriously Threatens Peace and Security in the Region"]

[Text] Following the visits to Thailand during the past month or so by a number of high-ranking military officers, on 7 April, U.S. Defense Secretary Weinberger arrived in Bangkok. In just 2 days, the head of the Pentagon and Thailand's top leaders took many extremely dangerous steps, fully baring their insidious schemes. Weinberger toured the Thai-Cambodian border with the aim of encouraging the Khmer reactionaries while hurling insolent slanderous charges at Vietnam.

The United States has decided to continue stepping up joint military exercises with Thailand close to the borders of the Indochinese countries and supplying Thailand with more military technology and war means. Particularly, the U.S. defense secretary and Thai minister of defense agreed to begin talks on the establishment of a large arsenal in Thailand.

This move will pave the way for the United States to reestablish its military bases on the Thai soil in an attempt to practice the Pentagon's doctrine of neo globalism.

Weinberger's trip to Thailand clearly exposes the U.S. imperialists' scheme of intensifying their military presence in Southeast Asia to provoke, undermine, and put pressure on national independence movements in the region. Obviously, the United States has already forgotten its lamentable failure in Vietnam and had not yet learned from the lessons of the past -- the high price it had to pay for its adventurous acts in this region.

Meanwhile, the commitments made with Weinberger by the Thai Administration shows that Bangkok still follows an erroneous path by coordinating closely with both the Chinese expansionists and hegemonists and the U.S. imperialists in opposing the three Indochinese countries. The Bangkok authorities have used their territory to foster the remnants of various Khmer reactionary groups that oppose the revival of the Cambodian people. Now they are ready to use their territory to set up U.S. military bases.

The Thai people and politicians with a keen understanding of the situation and with farsightedness have seen the extremely dangerous and erroneous nature of that policy of the Thai authorities. Bangkok has responded to the clear goodwill and peace proposals of Vietnam and other Indochinese countries -- which want to live in friendship and co-operation with the Thai people and settle all differences through negotiation -- with a negative attitude and a policy of confrontation. Bangkok has voluntarily tied itself to the United States' war chariot and its reactionary policy opposing the Indochinese people.

Everyone knows against whom the current Bangkok-Washington military collusion is aimed, and that the Thai authorities are playing with fire. They are poisoning the atmosphere in the region and must bear full responsibility for the consequences of this situation. People have not forgotten the bloody crimes committed against the Vietnamese, Lao, and Cambodian peoples by U.S. strategic bombers based on Thai soil or the crimes committed in South Vietnam by Thai military units working along side U.S. aggressor troops.

The Bangkok leadership has obviously not learned the lesson of history. Weinberger's trip to Thailand and the strengthening of Washington-Bangkok military collusion through this trip seriously threaten peace and security in the region and runs counter to the aspirations of the Thai people, people in the region, and the rest of the world.

#### USSR SENDS MEDICAL AID FOR NORTHERN PROVINCES

OW131524 Hanoi VNA in English 1506 GMT 13 Apr 86

[Text] Hanoi VNA April 13 -- The Soviet Government has sent more than 120 tons of medical equipment as aid to Vietnam's northern border provinces to help restore the medical establishments destroyed by Chinese troops in 1979. The aid has been used to equip a 200-bed polyclinic in Lang Son Province and a 300-bed polyclinic in Cao Bang Province and 150 village health stations in the border area.

The Union of Red Cross and Red Crescent Societies of the USSR has also decided to send full equipment for the 150-bed pediatric department of the polyclinic of Ha Tuyen Province.

AUSTRALIAHAWKE CALLS FOR 'RESTRAINT' BY U.S., LIBYA

BK150645 Melbourne Overseas Service in English 0430 GMT 15 Apr 86

[Text] Australia has again called for restraint by the United States and Libya following American air strike on the Libyan capital, Tripoli. The prime minister, Mr. Hawke, told Parliament in Canberra that Australia wished to see restraint and an early end to hostilities.

Mr Hawke said that the government had been shown compelling evidence of Libya's involvement in terrorism. Mr Hawke said that Libya's behavior in support of international terrorism was totally unacceptable, and the Australian Government was profoundly concerned that Libyan action had driven the United States to military action.

The prime minister said terrorism recognized no rules or moral standard and the victims were almost always innocent.

The federal opposition has declared total support for the United States attack on Libya. The opposition spokesman on foreign affairs, Mr Peacock, says the United States had warned the Libyan leader, Colonel al-Qadhdhafi, of the consequence of any further Libyan-backed terrorist activities. Mr Peacock said Col al-Qadhdhafi had ignored the warning.

The opposition spokesman on defense, Mr Sinclair, said President Reagan had ordered the attack after extreme provocations from the Libyans and direct evidence that they were responsible for the attack against American personnel at a West Berlin night club.

An emergency task force has been set up at the Department of Foreign Affairs in Canberra to monitor developments in Libya. The department has warned Australians against traveling to Libya because of the current situation there. Government officials estimate there are less than 100 Australians now in Libya.

People have gathered outside the U.S. Embassy in Canberra to protest against the American action. Similar demonstrations are also reported in other capital cities.

'REGRET' OVER VANUATU CRITICISM OF AID EXPRESSED

BK100919 Melbourne Overseas Service in English 0830 GMT 10 Apr 86

[Text] Australia has expressed its regret over public comments by Vanuatu's prime minister, Father Walter Lini, about an Australian aid project to upgrade Port Vila's (Bowfield) Airport. Father Lini said that because of the slow progress being made on the project, Vanuatu might have to soon start looking for financial assistance from another source to have it completed.

Spokesman for Foreign Affairs Department in Canberra said the Australian Government would have preferred to have heard Father Lini's criticisms directly rather than through the media. He added that Australia considered the criticism to be largely without foundation.

The spokesman said that there had unfortunately been some delay in the airport project, and Australia had to take some of the blame for this. However he said much of the delay had resulted from the difficulties in getting consistent position from Father Lini's Government.

KBL DEFIES AQUINO, REOPENS NATIONAL ASSEMBLY

HK141214 Hong Kong AFP in English 1151 CDT 14 Apr 86

[By Roberto Coloma]

[Text] Manila, April 14 (AFP) -- Former M.P.'s loyal to the party of deposed President Ferdinand Marcos Monday declared the National Assembly reopened, two weeks after the government of Corazon Aquino abolished it by proclamation.

The session was held in Quezon City near here at the packed auditorium of a hotel run by the University of the Philippines. The M.P.'s had rented the facility after the government boarded up the Parliament house a few kilometers away.

Former Speaker Nicanor Yniguez banged the gavel three times and declared that a quorum had been reached with 93 former M.P.'s belonging to the New Society Movement (KBL) attending. Conspicuously absent was former Premier Cesar Virata.

Outside, rowdy crowds estimated by police at 3,000 to 5,000 formed a human chain along a road fronting the hotel and hostile groups of Marcos loyalists clutching placards, clubs and fist-sized rocks harassed motorists.

The KBL leaders rejected descriptions of the meeting as a rebel parliament or a rump session, saying it was a regular session reopening the assembly which adjourned February 15 after proclaiming Mr. Marcos and his running mate Arturo Tolentino the winners of a February 7 poll.

Mr. Tolentino called on Filipinos to stage a civil disobedience campaign against the new government, reversing roles with Mrs. Aquino who had mounted such a campaign against Mr. Marcos following her defeat at the disputed official vote count.

Mr. Tolentino told the floor the "silent majority of Filipinos" was beginning to rise against the Aquino government installed in February after a military revolt toppled the 20-year Marcos regime.

Mr. Tolentino insisted that he beat Salvador Laurel in the vice presidential race and demanded a recount. "It is only right and proper that (the people) now manifest their resistance peacefully but firmly by means recognized by the Constitution," he said.

"If people in the past had resorted to civil disobedience, this is a proper instrument today to show in a non-violent manner popular non-acceptance of an unconstitutional regime. There is every reason to disobey an unconstitutional regime," he added.

Political Affairs Minister Antonio Cuenco earlier Monday assured the KBL that the rebel session would be allowed to proceed and "there will be no arrests" or threats of sedition charges filed against those who attend.

Local Governments Minister Aquilino Pimentel said pro-Marcos demonstrators would not be arrested provided they did not resort to violence.

In his speech, Mr. Tolentino called on provincial governors, town and city mayors -- many of whom squeezed themselves inside the hall -- to refuse to yield their posts to caretakers named by Mrs. Aquino until local elections are held.

Under a presidential proclamation March 25 which enforced a provisional constitution and abolished the legislature, Mrs. Aquino assumed powers to make laws and to replace incumbent local officials.

The elections for the local executive posts were to be held in May but were postponed by Mrs. Aquino until a permanent Constitution could be drafted and approved by voters in a referendum, possibly later this year.

Six resolutions, including one calling on the government to respect the tenure of local officials and another condemning its alleged disregard of security of tenure of constitutional officials, were referred to committees.

Former Labor Minister Blas Ople said he was not sure when or how often the former KBL M.P.'s would meet again but said committees would continue to function.

The pro-Marcos supporters outside carried placards proclaiming that Mr. Marcos -- now in exile in Hawaii -- was the real president. They lined up toward a petition table aiming to collect five million signatures supporting Mr. Tolentino's assumption as vice president.

#### TOLENTINO CLAIMS AQUINO GOVERNMENT 'UNLAWFUL'

HK150325 Manila Far East Broadcasting Company in English 2300 GMT 14 Apr 86

[Text] Former Member of Parliament Arturo Tolentino maintains that the 1973 Constitution is still in force. He said the new government is unlawful. He claimed the Aquino government was established by force and has no constitutional or legal basis.

[Begin Tolentino recording in Tagalog] I remember, as many of you probably do , that during the Japanese time many of our provinces were not under their control. Many places in the Philippines were not under the effective control of the Japanese military even though there was a token presence in those places. In those places the civil government of the Philippines continued to operate. This means that this so-called revolutionary government we now have has no control in certain places where the civil government still continues to exist under the terms of our constitution. [end recording]

#### 40,000 MARCOS SUPPORTERS RALLY AGAINST AQUINO

HK140228 Manila Far East Broadcasting Company in English 2300 GMT 13 Apr 86

[Excerpts] Thousands of Marcos loyalists, estimated at over 40,000 people, rallied at the Luneta Park in Manila yesterday [13 April], demanding the ouster of President Aquino and the return of deposed President Marcos. The loyalists declared that Marcos is the legitimate president of the country, and his return would be the only solution to stabilize the country.

The loyalists also proclaimed Arturo Tolentino as vice president. The Marcos supporters chanted "Long live Marcos" as they flashed the KBL victory sign and waved Philippine flaglets.

The rally, which was the biggest gathering of Marcos loyalists so far, was led by civilian Marcos loyalists and the Demokratikum Makabayan Kabataan [Patriotic Democratic Youth]. The rally was peaceful and ended at about 5 p.m.

Assemblyman Arturo Tolentino addressed the Marcos loyalists' rally. He accepted their proclamation of his vice presidency and said it was stronger than his February 15 proclamation. Tolentino urged the rallyists to continue their struggle over the alleged lost democracy in the country.

Earlier, Tolentino challenged President Aquino to immediately call for local elections to determine the real will of the people. Tolentino gave the challenge to the president in speaking at the Interaction television show. Tolentino said if the candidates of the Aquino government will win at the local polls, that is validation or legitimization [as heard] of the Aquino revolutionary government. Tolentino also said he will take his oath of office as the duly elected and proclaimed vice president in due time.

AQUINO ORDERS MAXIMUM TOLERANCE OF MARCOS RALLIES

HK141301 Quezon City DZFM Radio in English 1100 GMT 14 Apr 86

[Text] President Aquino today instructed police and military authorities to handle rallies by Marcos loyalists with maximum tolerance to prevent a bloody confrontation. The president issued the directive in a meeting with police and military officials in the wake of reports of demonstrations by supporters of deposed President Marcos.

Presidential spokesman Rene Saguisag said President Aquino was assured by the police and military authorities that the situation is under control. In San Juan, supporters of ousted Mayor Joseph Estrada clashed with the police, injuring scores of persons.

Saguisag said the president was concerned that some demonstrators and lawmen were hurt in the incident. He said that in spite of the incident, the government is not requiring demonstrators to get permits before staging rallies.

LAND REFORM PROGRAM SUBMITTED TO AQUINO

HK120643 Quezon City BUSINESS DAY in English 11 Apr 86 p 22

[By Teodoro Y. Montelibano]

[Text] President Corazon Aquino yesterday said her government will expand the land reform program to "truly" liberate the Filipino farmer from the shackles of landlordism and transform him into a self reliant citizen. Mrs. Aquino, however, said her government is taking time to finalize its land reform program because "it addresses both the economic well being and dignity of many Filipinos." She said this in response to queries on her stand on land reform.

The President stressed her administration will not only preserve the gains thus far made but will also strengthen and expand agrarian reform.

During her campaign speech in Davao City, the President criticized the way former President Marcos had implemented land reform. She said land reform is not just parcelling out lands but should complementarily involve training farmers on food production technique and the provision of needed tools to keep their farms productive.

The President also instructed Executive Secretary Joker Arroyo to study the proposal submitted by urban poor groups in Metro Manila for the formation of a presidential arm on urban poor affairs.

The proposal was received by the President from a delegation of urban poor group representatives led by Sister Christine Tan and Fr Ted Batalid who also gave Mrs Aquino various demands, including a stop to the demolition of squatter communities and relocation of squatters in places far from their existing jobs.

They also asked the President for on-site development in blighted communities, expropriation of lands not occupied by squatters, implementation of plans on people's cooperative, and revision of infrastructure projects adversely affecting urban poor communities with due consideration to affected residence over and above local and foreign business interest.

They also urged the President to order the National Housing Authority to desist from collecting fees like monthly land amortization, development costs, on-plot cost, realty taxes, delinquency interest, surcharges and interest on taxes from tenants in lighted communities.

As regards the proposed presidential arm on urban poor affairs, the group proposed that it be governed by a board composed of equal representatives of urban poor organization and those of various pertinent service ministries.

The board will facilitate the resolution of urban poor problems which have piled up over the past two decades and provide general guidelines applying to squatters problems on the national level.

The presidential arm will also serve as a forum for a continuing dialog between the government and the urban poor to insure the participation of the urban poor in planning and making policies that directly affect them.

#### LOCAL GOVERNMENT MINISTER DEFENDS APPOINTMENTS

HK140640 Quezon City DZFM Radio in English 0600 GMT 14 Apr 86

[Text] Local Government Minister Aquilino Pimentel said today the right of people to dissent should be respected as long as the dissenters do not violate laws. Pimentel made the statement in connection with the ongoing pro-Marcos demonstrations. The local government minister was guest at today's Kapihan sa Maynila [Manila Coffeeshop] at the Manila Hotel. Correspondent Joy Montero was there and she filed this report.

[Begin Montero recording] Pimentel said whether or not these rallies are reflective of the sentiments for the deposed president or were just put up by the KBL is something for the military to look into. Pimentel made the statement as several policemen and civilians were hurt in San Juan this morning where Joseph Estrada [pro-Marcos mayor of San Juan City] supporters continue to defy the appointment of an acting mayor.

Meantime, the local government minister denied there is a rift between Unido and the PDP-Laban [Philipino Domocatic Party-Lakas ng Bayan] over the appointment of OICs [Officers-in-Charge]. Pimentel said his office is open to criticism about Officers-in-Charge designation but he said these criticisms should be supported by solid evidence. He said he has formed selection committees in the regions to review the endorsement of Offices-in-Charge.

In the case of former MP Orly Mercado aiming for the OIC post in Quezon City, Pimentel said he is being groomed for a sensitive post in government. Pimentel defended the appointment of Aquino city OIC Brigido Simon. He said Simon was a recommendee of two former MPs in Quezon City: Cecilia Munoz Palma and Alberto Romulo. [end recording]

MINISTER TO MEET MEMBERS OF FARMERS GROUP

HK140512 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 11 Apr 86 p 3

[Text] Agriculture and Food Minister Ramon Mitra Jr. said yesterday he will meet Saturday with the Samahang Nayon [village cooperatives] farmer members, who are staging on that day mass pickets at the Central Luzon State University [CLSU] to demand Mitra's ouster. Mitra is scheduled to speak at the CLSU on agricultural policies.

Two groups, the Pambansang Katipunan ng Samahang Nayon [National Federation of Village Cooperatives -- PKSN] and the Agrarian Reform Beneficiaries Association [ARBA] had earlier threatened to stage "farmers' power marches" at Malacanang to press for Mitra's removal for what they said was "Mitra's ignorance and irresponsible accusations against farmers groups organized during the Marcos regime."

Mitra branded these two groups as "political fronts of Mr. Marcos and were being financed and organized by the government machinery of Marcos."

The charge has widened the rift in farmers' camps, since Mitra has already shown his bias for Jaime Tadeo's group, the Katipunan ng MGA Magsasakang Pilipino. The group met with Mitra last week and was promised to be tapped by the ministry as credit conduits for the MAF's [Ministry of Agriculture and Food] crop production programs.

The PKSN and ARBA -- which issued separate statements to the press early this week in response to Mitra's charges -- said that Tadeo's group, which the previous administration refused to recognize does not have any farmer members and that it is composed mostly of militant students. Tadeo replied that PKSN and ARBA are manned not by legitimate farm-hands but by farmer-dealers.

The exchange of charges, if not corrected, could lead to a serious leadership crisis for Mitra, according to ministry insiders.

Mitra explained that his position was to recognize all farmers groups as "partners of government" but that he will not extend special treatment to any group. "All I wanted was to take away the props the previous government put in place," Mitra said, citing the huge fund outlays given by past administrations to these specific farmers groups. Mitra also hinted that because of the assistance given to the two groups, they have tended to be "spokesmen" of Mr. Marcos to defend his programs and policies.

LABOR MINISTRY TO RECOGNIZE MILITANT TRADE UNION

HK120315 Quezon City BUSINESS DAY in English 7 Apr 86 p 15

[Text] The Ministry of Labor and Employment (MOLE) is set to recognize the militant Kilusang Mayo Uno [1 May Movement] (KMU) as a legitimate trade union center of the country, a position held solely by the Trade Union Congress of the Philippines (TUCP).

In a speech before the KMU workers symposium at the St. Scholastica's College, Labor Minister Augusto S. Sanchez said there is no reason why KMU cannot be given this recognition when the new government recognizes the right of workers to organize themselves.

Speaking in Pilipino before a jampacked crowd of some 3,000 workers, Sanchez also reiterated his views that there are many multinational corporations and other foreign investors who are "exploiters."

Sanchez said he is being criticized for being "pro-labor" but noted that he is in charge of the MOLE. "Who else do we side with?" he asked, as the workers wildly cheered, applauded and chanted "Bobbit, Bobbit" during his speech.

He indicated that management, particularly those exploiting workers, should instead seek sympathy from ministries like the trade and industry. "Doon sila, dito tayo," ["they are there and we are here"] he told the workers.

The labor minister, however, said, that while he is informally bestowing recognition on KMU as a trade union center, his ministry also intends to work for the rights and welfare of workers belonging to other groups.

#### LABOR MINISTER INTERVIEWED ON 'PRO-LABOR' POLICIES

HK130044 Quezon City BUSINESS DAY in English 9 Apr 86 p 8

[By Gethsemane M. Selirio]

[Text] Labor Minister Augusto S. Sanchez yesterday denied that he was softening his stand about the role of foreign investments in the country, saying that he will reveal the malpractices of multinational corporations (MNCs) as well as domestic firms on April 17. In an exclusive interview with BUSINESS DAY, Sanchez said he is planning to reveal a list of the malpractices committed by foreign and local firms when he talks before the Employers Confederation of the Philippines (ECOP).

The minister said he has commissioned a task force to list down these "malpractices leading to the exploitation of workers." Declining to specify what these are, he however indicated that these will include the practice of giving "unjust wages" to Filipino workers and the poor working conditions in the company.

Admitting that he toned down his stand after the local business community reacted with "grave concern" over his statements in a recent interview, Sanchez nevertheless said that he still stands by the main ideas that he expressed: that the country would be better off if domestic production is improved instead of raising foreign investments, that there are MNCs and local firms that are guilty of exploiting workers, and that the free enterprise system is "dehumanizing."

He, however, made qualifications this time, which he did not do in earlier interviews, press conferences and speeches. He said that "only some" of the foreign and local firms disregard the plight and welfare of workers, and that the practices of "some adherents" of the free enterprise system have led to the exploitation of labor.

Sanchez said his main objection to the free enterprise system is its "profit motivation." This system, he said, disregards the other important side which is labor. In effect, he said, workers are treated simply as an "element" for production. "They should be partners," Sanchez said as he discounted the so-called "irreconcilable interests" of labor and management. "If they are partners, why is it irreconcilable?" he asked.

The "one big solution" to the prevailing conflict of interests between labor and management is profit-sharing, according to Sanchez. "You raise productivity while promoting industrial peace," he said.

Sanchez expressed his chagrin at the way some people have been criticizing profit-sharing when they do not understand it and simply label it as "socialist-inspired" or "pro-labor." While the ministry is encouraging profit-sharing as a policy, he said, companies will be given leeway in determining the system amendable to both labor and management.

Regarding the complaints of some companies that they have been "pressured" into complying with the settlement of labor disputes conciliated by the office of the minister, Sanchez said he has yet to receive a formal complaint from management. The decisions that have so far been issued by the ministry, he said, are neither "anti-management" nor "anti-labor."

Ever since Sanchez assumed office for the period from March 4 to April 4, 35 strikes were voluntarily settled, according to latest labor relations situation submitted to the minister by Deputy Minister Carmelo C. Noriel and Cresenciano B. Trajano, Bureau of Labor Relations (BLR) director. Of this total, seven strikes were settled just last week such as those at Rudolph Industries, Subic Naval Base, Central Phils Marketing Corp, Manila Paper Mills Inc, Philippine Long Distance Telephone Co, Morong Metal Craft and Zenith Textile Mills.

"I don't want it said that these were settled in the name of the new government," Sanchez said. The disputes were all conciliated, he said, and if one of the sides appeared to have given in, it must have been for the "good of the country."

If any decision released appeared to favor labor it was because "the company can well afford the judgment," he said. The reason why companies must be objecting to the recent decisions of the ministry, he said, is because their profits and the salaries of their officials will decrease when the workers are given increased benefits.

Asked if he does not think that his "pro-labor" position will eventually backfire, Sanchez said he does not think so. "We're buying industrial peace and servicing the interests of labor," he said.

#### ENRILE URGES JUST TREATMENT FOR ABUSIVE SOLDIERS

HK141548 Hong Kong AFP in English 1532 GMT 14 Apr 86

[Text] Iloilo, Philippines, April 14 (AFP) -- Philippine Defense Minister Juan Ponce Enrile urged President Corazon Aquino Monday to give soldiers equal and just treatment when it investigates human rights violation charges against them.

Mr Enrile said that if the government could grant amnesty to rebels he said were responsible for killing civilians suspected of being pro-government, then "the combatants should be equally and justly treated as well." Otherwise, the minister warned, the government's call for national reconciliation "will come to naught."

Mr Enrile told a gathering of civic and business leaders in this central city: "This is the essence of justice and fair play. But he added he was not "suggesting this because we are hiding things."

Last week Mrs. Aquino swore in a special commission to investigate charges of human rights abuses allegedly committed by soldiers during the 20-year rule of deposed President Ferdinand Marcos.

Mr Enrile served as defense minister during that period, but eventually led a rebellion that toppled Mr Marcos in February.

Mrs Aquino has freed hundreds of political prisoners imprisoned by Mr. Marcos, including the alleged top leaders of the outlawed Communist Party. She has also appealed to guerrillas to lay down their arms and join her government.

CPP 'TIMETABLE' FOR REVOLUTION SAID 'SHATTERED'

BK150315 Manila PNA in English 0253 GMT 15 Apr 86

[Text] Manila, April 15 (PNA) -- Defense Minister Juan Ponce Enrile Tuesday said the Feb. 22-25 revolution has totally shattered the timetable of the communists to take over the Philippines in three to five years. "I doubt whether they (Marxists) can take over this country up to the last decade of the next century, assuming that we will not do anything at all," Enrile said.

He said the revolution caught the outlawed Communist Party of the Philippines (CPP) flatfooted. Enrile said the Marxists are now busy reassessing the political situation in the country because of what happened last February.

The defense chief also said the Feb. 7 elections and the people's power have propelled the country toward democracy to the consternation of the Marxists whose errors of judgment cost them too much.

Enrile said the communists opted for a boycott during the last election believing that the democratic electoral process would be a failure. But it turned out the election was a success.

This was coupled with an outpouring of people for Feb. 22-25 of what is now known as the people's power. With the spontaneous response of the people, the Marxists knew "they had lost the political game," Enrile said.

Even Jose Ma. Sison, erstwhile CPP chairman, admitted that the Filipinos are not ready to embrace the hammer and sickle, the insignia of the communists.

According to Enrile, the Feb. 7 elections destroyed the political myth of the Marxists, particularly on the issue of fascism.

The Marxists had been clamoring during the past years to topple President Marcos because the former strongman was a dictator. However, when Marcos suddenly left the country, the communists have suddenly found themselves without any political issue against the government.

He said the CPP is now groping in the dark trying to recoup their lost political grounds. "For indeed it has set them back many many years the timetable," Enrile said.

UNIDO OFFICIAL APPOINTED TO ABOLISHED POST

HK1206-9 Davao City BUSINESS DAY in English 8 Apr 86 p 22

[Text] Wilson Gamboa, former member of parliament (Unido, Negros Occidental), was appointed Friday by President Aquino as defense deputy minister for munitions.

Gamboa's appointment came after the Ministry of National Defense [MND] abolished the position and maintained only one deputy minister -- Gen. Rafael Ileto. Part of MND's reorganization includes trimming its bureaucracy by abolishing the position of deputy defense minister for munitions. The functions of this deputy were taken over by Gen. Mario Espina, assistant secretary for installations and logistics.

MND sources were surprised by the appointment. An official told BUSINESS DAY, "It's on orders of the President. It's her prerogative." But he added the ministry does not need a deputy defense minister for munitions.

The deputy defense minister for munitions will supervise and control the arsenal and accessory plants, mobilize civilian industry for national defense requirements, and take charge of the self-reliance defense posture program.

As provided in Republic Act No. 1384, which created a government arsenal, the office advises the defense minister on the design development, manufacture, procurement, allocation of ammunition, among other responsibilities. The act also provided that the holder of the position have at least five years experience in munition.

Gamboa was recently enrolled at the National Defense College. BUSINESS DAY could not reach him for comment.

Earlier, Gamboa was verbally appointed by Mrs. Aquino as minister of agrarian reform. However, he held the post for only a few hours because it was revoked by the President the same day he was appointed.

Vice-President Laurel recommended Gamboa for the Ministry of Agrarian Reform post but Jose Cojuangco Jr., brother of President Aquino, had another person in mind for the same office.

#### RELATIONS BETWEEN UNIDO, PDP-LABAN VIEWED

HK130048 Quezon City BUSINESS DAY in English 9 Apr 86 p 23

[By Raissa Lamson Espinosa]

[Text] Recent events signal a collision course between PDP-LABAN and United Nationalist Democratic Organization. Interviews with prominent leaders from both camps, however, indicate that the two are willing to sit down together and formalize a coalition agreement.

Local Governments Minister Aquilino Pimentel has allayed fears of a Cabinet split. "I think basically, it can stay together because of the decisive leadership of President Corazon Aquino. Whether or not the group is balanced between those identified with (Salvador) Laurel and those identified with PDP-LABAN is academic because in a sense, all of us supported both (Laurel and Aquino.)"

But Unido's secretary general, Rene Espina, views the problem in a different light. He indicated that the problem is that Unido, the party that carried Mrs. Aquino's guest candidacy, is barely represented in her Cabinet.

For the first time, Espina revealed that only three of the six Unido ministers can be relied on to carry the party line. They are Laurel himself, Luis Villafuerte, the commissioner for government reorganization and Hernando Perez, minister of transportation and communications.

Justice Minister Neptali Gonzales is no longer "a true blue Unido," Espina said, because Gonzales had sent a resignation letter (although not irrevocable) before the elections.

Budget Minister Alberto Romulo is not with Unido but with Laban (the coalition that cause-oriented groups and PDP-LABAN formed for the elections and headed by Minister Jovito Salonga), and Natural Resources Minister Ernesto Macea would side with Mrs. Aquino when the chips are down, Espina said.

In a recent talk, vice President Salvador Laurel, who is also UNIDO president, was quoted to have suggested a "merger" of the two parties. Espina thought this was not impossible, but Lito Lorenzana of PDP-LABAN said it was "ideologically impossible."

The difference between the two parties is more than skindeep. An obvious difference is in the manner of recruitment and maintenance of membership. The underlying difference is that PDP-LABAN follows a particular ideology.

MARCOS' LAWYERS OFFER RETURN OF ASSETS FOR AMNESTY

HK130450 Hong Kong AFP in English 0439 GMT 13 Apr 86

[Text] Manila, April 13 (AFP) -- Lawyers claiming to represent Ferdinand Marcos and his associates have offered to turn over their clients' assets to the Philippine Government in exchange for legal amnesty, an official said here Sunday.

Commission on Good Government member Mary Concepcion Bautista however refused to identify the lawyers or the assets which have been offered, saying they were still authenticating the lawyers' claims.

The newspaper PHILIPPINE INQUIRER reported Sunday that a group of Marcos lawyers had offered to surrender certain assets in exchange for a waiver of upcoming criminal suits against the ousted president, his family and associates as the "best compromise" to avoid long and costly court battles.

The government commission was set up by President Corazon Aquino to investigate and recover assets and properties totalling up to 10 billion dollars which Mr. Marcos and his associates allegedly stole from the country during his 20-year rule.

The commission has frozen several of the assets involved and said it was ready to file criminal and civil suits against the Marcoses and their friends as part of the new administration's efforts to recover the wealth.

Until the lawyers who have reportedly offered to hand over their clients' assets "come out with documents and affidavits, we will proceed with our freeze orders and file the necessary charges," Miss Bautista told AGENCE FRANCE-PRESSE. They "must make full disclosures and in good faith," she added, saying that what the commission had received so far were just overtures.

Even if that were done, the commission would proceed with the lawsuits so that the lawyers could propose a waiver of adjudication in court and voluntarily surrender the assets.

Miss Bautista said government lawyers were preparing criminal charges to be filed shortly against the Marcoses and their friends. The money is said to be deposited in Swiss banks and invested in the United States and half a dozen other countries.

The Swiss Government has ordered a temporary freeze of the accounts, while Washington has pledged full cooperation with the commission.

The charges against the Marcoses and their friends could include malversation of public funds, abuse of authority, extortion and technical smuggling.

The INQUIRER charged Sunday that Mrs. Marcos had spent 84 million pesos (4.2 million dollars) of "intelligence funds" for a facelift and eye operations in New York over five-year period from 1973.

It quoted documents seized by U.S. customs from the Marcoses when they fled to Hawaii following a military revolt in February. Washington had turned the documents over to the commission.

Miss Bautista said she had not had time to pore over all the documents but said the report was "possible." "We had all along suspected that she was using public funds" for personal purposes, Miss Bautista added.

Other press reporters here Sunday said Mrs. Marcos' personal secretary Vilma Bautista (no relation to the commissioner), who was officially posted in the Philippine Consulate in New York until last month, was willing to testify before the commission. Philippine investigators suspect that the attache acted as a front for Mrs. Marcos' New York properties.

However, Miss Vilma Bautista, who has been given a 60-day ultimatum by the Foreign Ministry to return to Manila, wants immunity from prosecution over her involvement, the dailies added, citing ministry sources. The newspaper MALAYA said the commission had so far sequestered 125 firms identified with the Marcoses and their associates. Commissioner Bautista said she did not know the exact number of firms whose assets had been frozen.

AQUINO SPOKESMAN ON MARCOS AMNESTY PROPOSAL

BK150235 Manila PNA in English 0205 GMT 15 Apr 86

[Text] Manila, April 15 (PNA) -- The Aquino government is studying a proposal to grant amnesty to deposed President Ferdinand Marcos in exchange for his hidden wealth. This surfaced during a press briefing given by presidential spokesman Rene Saguisag Monday.

Replying to a question if the cabinet in its meeting last week discussed a proposal to grant amnesty to the deposed president in exchange for his hidden health, Saguisag said: "Well, we always have a vigorous democratic discussion in the cabinet so you hear all sources, propositions and ideas."

Added Saguisag: "All sorts of propositions were being considered by the entire cabinet led by Mrs. Aquino, but all of these are by nature sensitive and these have to be thought of very well." Saguisag, however, said nothing definite has been decided by the cabinet on the matter.

Asked if the president favored the proposal, Saguisag replied he could not say what her disposition or her preference was. Mrs. Aquino, in an interview with five foreign TV networks last week, had said she would forgive Mr. Marcos if he returns his ill-gotten wealth to the Filipino people.

Saguisag, at the same time, denied a news report that a Cabinet minister had hand carried a proposal from an unidentified Marcos crony to surrender 500 million pesos (100 million U.S. dollars) of his hidden wealth if he is granted amnesty. Saguisag said no such offer had reached Malacanang Palace. If any such proposal was ever made, it was not at the office of the resident, he said.

Meanwhile, Saguisag announced that more new justices of the Supreme Court are scheduled to be appointed by President Aquino on Tuesday. Saguisag, however, did not say how many new justices would be appointed to the high court. He also did not mention names of the appointees.

Last week, the president named four new justices to the Supreme Court, bringing to six a number of justices to be named in the high court. The four appointed last week were: Justice Marcelo Fernan, Pedro Yap, Andres Narvaza, and Jose Feria. Earlier, the president named to the high court Chief Justice Claudio Teehankee and Senior Associate Justice Vicente Abad Santos.

SISON PREDICTS STRENGTHENED COMMUNIST FORCES

HK110542 Manila PHILIPPINE DAILY INQUIRER in English 5 Apr p 3

[Text] Jose Ma. Sison, Communist Party of the Philippines (CPP) founding chairman, has predicted that communist forces will become stronger in two to three years' time.

Sison, in a recent speech before students of De La Salle University, said the communists will reach the height of political supremacy "by 1988 or 1989, either through the continuation of its 17-year armed conflict with the Philippine government or by having its outlawed party legalized. "The government of Ms. Aquino would have to handle the two levels of development the CPP may undertake," said Sison, one of the political prisoners ordered released by Ms. Aquino shortly after assuming power.

Sison, however, believed that "total victory for the national democratic revolution" can only be attained before the turn of the decade, or before the year 2000.

If the CPP goes for legalization, it could be one of the biggest political parties by 1988, Sison said. He added that should the CPP opt to continue with its "revolutionary war," its soldiers would be on an "equal footing" with those of the government by 1989.

In his speech, Sison criticized Ms. Aquino's "one-woman rule," saying power should have resided instead in Aquino and her government. But he said this is justified as "extraordinary powers are needed to correct the extrawrongdoings of Mr. Marcos." Sison only expressed hope that Aquino's power to rule by decree will be "selective" instead of "arbitrary."

NDF LEADER ON REFORMS, RECONCILIATION

HK101345 Manila THE NEWS HERALD in English 8 April 86 p 2

[By Victor Sollorano]

[Text] Many people in the Aquino government are remnants of the past regime, the so-called "elitist" particularly those in the military and the United Nationalist Democratic Organization (UNIDO).

Thus, the programs of the government seek to maintain the status quo excluding the non-elite and without full popular democracy, said Horacio "Boy" Morales, alleged head of the National Democratic Front [NDF].

He said the social demands are still fundamental changes in foreign policy, full restoration of democratic rights, genuine land reform, and a government participated in by all sectors of society. Speaking before the Quezon City

Speaking before the Quezon City Rotary Club, Morales declined to name the elitists and, instead, urged the "people around President Aquino" to push for genuine social change to achieve reconciliation. "The political and social situation is still volatile and unconsolidated requiring full reconciliation among various elements of the society," said the former executive vice president of the Development Academy of the Philippines.

Morales broadly hinted that it is up to the Aquino government to push for reforms and achieve reconciliation to prevent a volatile situation from getting out of hand. "It is not enough that we have toppled the Marcos regime," he said.

"What the country needs today are reforms instituted through active intervention that leads to meaningful changes in social and government structures," he added.

The demands for reforms, Morales believes, can be attained by, first, holding a dialog between the government and various leftist groups, such as the NDF, Communist Party of the Philippines (CPP) and the New People's Army (NPA). "We can't predict the outcome of the talks, but, at least, mutual trust can be attained in the process," he said.

The leftist movement is looking at the Aquino government with some reservation, though the basic attitude is one of "wait and see," he said. It is also giving the government the benefit of the doubt, considering its limited resources.

On the question of foreign loans and aid, Morales said economic recovery cannot be achieved at the moment without foreign financial assistance. "And there is no foreign assistance without strings attached." he said.

The country can live with some amount of assistance "as long as we regulate and control the allocations and disbursements of the money, unlike the onerous terms of the International Monetary Fund (IMF)," Morales said. He saw no harm in securing loans from socialist countries.

He stressed that the government has been installed through the non electoral process, or "people power." As such, the recent changes are merely political in nature or a change in government.

#### NDF FORMING NEW PARTY FOR LOCAL ELECTIONS

HK120633 Manila THE NEWS HERALD in English 10 Apr 86 pp 1, 6

[By Victor Sollorano]

[Text] The National Democratic Front (NDF), umbrella organization of leftist groups including the Communist Party of the Philippines, is ready to form a new political party within two weeks in preparation for the local elections and may tap former senator Lorenzo Tanada to head the party.

Jose Maria Sison yesterday said that Tanada is eyed by NDF to head the party, tentatively called the Organization of National Democratic Front (ONDF). Explaining the NDF move, Sison said, "The KBL (Kilusang Bagong Lipunan) is gone, the Unido (United Nationalists Independent Organization) is disorganized and the PDP (Partido ng Demokratikong Pilipinas) is still in the process of strengthening itself through the appointment of OIC's in the local government."

"That's why we believe this party (ONDF) will be the biggest political party," he added.

Sison said he has no political ambitions and is simply helping NDF organize the party.

The objective of the NDF is to promote a "pluralist government" where all members of society can participate in politics. Members of the party will be taken from "other cause-oriented groups" that Sison believes can strengthen the mass base of NDF.

Earlier at the National United Church in Quezon City where Sison spoke on prospects of agrarian reform under the new order, he described the Philippine economy as "semi-feudalist."

He said that the most important feature of the semi-feudal economy is the dominance of owners of large tracts of land, plantations, and logging concessions, over all other economic classes.

"The owners, or compradors, prevent national industrialization, while retaining the agrarian character of the economy," he said. The compradors, he said, is the class with the heaviest capital investments that determine the pattern of economic production and distribution in the country.

He said that the term semifeudalism is more accurate in referring to the Philippine economy, because it is closer to the fact that the local productive system is basically agrarian and agriculture is dominated by landlords.

#### COMMUNIST LEADERS ON CONDITIONS IN SOCIETY

HK120637 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 10 Apr 86 p 2

[Text] President Aquino should pursue a genuine land reform program to promote industrialization. But she must first consolidate her hold on the military and the government before she can solve the problems of militarization, landlordism and spread of capitalism in the countryside.

These were stressed yesterday by Jose Ma. Sison, confessed founder of the Communist Party of the Philippines, and Bernabe Buscayno, alleged founder of the New People's Army, in a lecture and interview at the National United Charch in Quezon City.

"Whether a government is a Marxist or a liberal democratic, genuine land reform must be carried out to promote industrial capital," Sison said.

Speaking on "Semi-Feudalism in the Philippines: A myth or Reality," he affirmed that semi-feudalism in the country is a reality because the Philippine productive system is basically agrarian, where agriculture is dominated by landlords," Our country does not have an industrial capitalist economy, Sison said, since it is extremely dependent on agriculture and lacks the fundamentals of a modern industrial economy such as productive enterprises in metals, chemicals and capital goods.

Buscayno, in an interview, said abuses by the military, civilian militiamen and even religious fanatic groups still continue in the countryside. The problem of landgrabbing and exploitation by big landlords, particularly transnational corporations, also remains, he said.

Capitalism has also appeared through the high cost of farm inputs and the prevalence of usury, both of which, he said, contribute to the miseries of the peasants.

These problems, Buscayno said, have not been attended to yet by the Aquino government. The government can only solve them if the President first strengthens her hold on the military and the government, he said. There are a few military men that Mrs Aquino can trust, he said, adding that many, including Gen Fidel Ramos, AFP [Armed Forces of the Philippines] chief, are controlled by the United States. In her cabinet, she can only count on 25 percent "progressive liberals" who, he said, can help achieve a genuine land reform program.

The president, Buscayno added, should also hold consultations with the people to ensure that the land reform program will succeed and to avoid the mistakes of the Marcos administration.

Differentiating a semi-feudal society from a feudal one, Sison explained that the landlord class is the dominant class in a feudal society while the comprador big bourgeoisie is the dominant class in a semi-feudal society, with the landlord class as second. However, he added, the big compradors are often the big landlords. "Thus, we speak of the big comprador-landlords as the dominant class in the Philippines," he said. "The big bourgeoisie is the chief intermediary between US imperialism and domestic feudalism. It is the domestic force dominant in the service sector of the economy. It is the chief trading and financial agent of US imperialism," Sison said.

In the Philippines, Sison claimed, the comprador big bourgeoisie perpetuated on behalf of US imperialism the unequal exchange of raw-material exports and manufactured imports. He added that US monopoly capitalism and the comprador big bourgeoisie, by preventing national industrialization have retained the agrarian character of the economy, owning plantations for export crops and allowing the continuance of feudalism.

Sison cited the comprador big bourgeoisie determines the pattern of economic production and distribution in the country. The Filipino revolutionaries in the past were patriotic but lacked a leadership with a definite program. Thus, they failed to change the system. He said that any struggle towards national liberation should first be fought with the struggle against foreign imperialism.

#### MORO SUPPORTERS BEGIN RALLY FOR PEACE TALKS

BK150335 Manila PNA in English 0310 GMT 15 April 86

[Text] Cotabato City, Philippines April 15 (PNA) -- Some 20,000 supporters of the secessionist Moro Islamic Liberation Front (MILF) Monday began a three-day rally here to prod the Aquino government to start immediately the peace negotiations. Chanting "allahu akbar" and almost blocking the city's thoroughfares, the rallyists came from the provinces of Sultan Kudarat Maguindanao and Cotabato. They brought with them their personal belongings and food provisions.

The rallyists are demanding the implementation of a provision of the Tripoli accord which calls for the strengthening of the ceasefire committee with assistance from the Organization of Islamic Conference represented by the Quadripartite ministerial commission. "We are for peace if peace is still attainable," read one placard.

Another demand includes the creation of a committee to study in detail the points left for discussion in reaching a solution to the Mindanao problem in conformity with the provision of the Tripoli Agreement. The committee will be composed of representatives from the Philippine Government and the MILF, they said.

In a manifesto, the MILF declared that the MILF headed by Hashim Salamat is the true and legitimate representative of the Filipino Muslims in Mindanao. The manifesto also said the rallyists are grateful to President Aquino for declaring as national policy the implementation of the Tripoli Agreement of 1976. They said settlement of peace in Mindanao will not only benefit Muslims but also Christians in the area.

The manifesto also stated the Muslims do not harbor animosity against any human beings of goodwill. "Our animosity is directed against tyranny, oppression, repression, strife, immorality and corruption, hatred, discrimination, exploitation and the likes," it said. It also said the Muslims are fighting for an equitable, just and balanced social order, to ensure and secure the collective well being of all peoples in Mindanao. The manifesto asked the government to start at once peace negotiations in Mindanao before it would be too late.

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